

JPRS 81573

18 August 1982

West Europe Report

No. 2016

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

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WEST EUROPE REPORT

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JOURNAL HITS LOWER FLIGHT HOURS FOR AIR FORCE PILOTS

Brussels SPECIAL/L'EVENTAIL in French 16-22 Jul 82 pp 4-5

[Article by Chantal Schaller: "Air Force's Major Problem"]

[Text] Is our air force being virtually grounded? That harrowing prospect looms ahead if no political solution is found for restoring funds to the Defense Ministry budget.

Devaluation of the Belgian franc and the recent rise in the U.S. dollar have so boosted the price of aviation fuel that the air force's approximately 500 pilots are now restricted to merely 3 hours of flying time per month. This level is so ridiculously low that it no longer meets NATO standard requirements and actually jeopardizes pilot safety.

Insufficient Training

The fact is that since 1979 an inexorable budget squeeze has threatened to impair pilot training and forced the air force to take increasingly drastic economy measures. Some 31 percent of the total defense budget of 88 billion francs is earmarked for the air force. The latter allocates 40 percent of these funds to personnel pay and allowances, 33 percent to capital expenditures, and 27 percent to operations and maintenance. The first two categories cover outlays that cannot be reduced. This is true even of capital spending which must conform to long-term contracts made with industrial firms. Hence the sole category in which cuts are possible is operations and maintenance. Yet 80 percent of that category--nearly 6 billion Belgian francs--is funding for the flight program, in other words for everything relating to flights made by the air force to maintain its personnel and equipment in an adequate state of operational readiness. As for the remaining 20 percent--1.5 billion francs--it is mainly allocated to the ground transportation program--operation and maintenance of air force motor vehicles--and the firing program covering gunnery practice essential to the training of fighter pilots.

After the economy measures the air force has taken over the past 3 years in all sections of its budget, it currently finds itself unable to further reduce expenditures. When the devaluation of the franc was announced, the air force considered it still had sufficient funds to permit 150 flying hours per pilot during 1982. With the dollar's recent rise, however, it is no longer even sure

of being able to guarantee 110 hours. This situation is especially serious in that the minimum prescribed NATO standard is 180 hours per year, a level below which experts consider a pilot no longer operationally ready. Furthermore, it must be noted that Belgium had initially promised NATO to maintain a training level of 240 flying hours per pilot per year.

This inadequate training now threatening our pilots is all the more serious in that contemporary history dramatically demonstrates the effectiveness of an optimum number of flying hours. The Syrians have already lost 76 aircraft in the current Israeli-Palestinian conflict whereas the Israelis have lost none. One explanation for this can be found in the fact that the training of Israeli pilots includes 200 flying hours per year versus 100 for the Syrians. Similarly, during the Yom Kippur War the Syrians lost 80 aircraft while only one Israeli aircraft was shot down.

Governmental Solution

There is every reason, therefore, to believe that NATO will soon express its concern about the deteriorating status of the Belgian Air Force whose pilots are now no longer operationally ready. And yet the Belgian air staff's only available solution to its financial problems was to curtail its flying hours program and allow its pilots 25 hours from now until the end of the year. This is a ridiculous situation when one considers that a normal training flight can easily last 2 hours. Consequently the second half of 1982 will mean elementary exercises and drastically curtailed training missions in our fighter units.

The sole and ultimate way out of this dilemma remains a governmental solution. We may rightly ask whether the cabinet should not consider granting the Defense Ministry supplemental funds to cover the loss caused by devaluation and the U.S. dollar exchange rate. Because when the government declared that the effects of devaluation would have to be borne by each one of the ministerial departments it overlooked the fact that while this was only slightly detrimental to most of the departments, such was not the case for the Defense Ministry. And even less so for the air force which operates practically solely on imports, whether it be aviation fuel, spare parts, or also training courses abroad which must be paid for in host country currency. Supposing that the government is indeed willing to consider helping the air force in its present financial difficulties, this does not mean that the air force's medium-term operating prospects are thereby any brighter. Although a 7 percent increase is planned in each of the ministerial department budgets next year, we already know at the present time that the "programmed" inflation rate is about 11 percent. In other words, unless the Defense Ministry budget is increased 12 percent, it will be utterly inadequate. It is readily obvious that this percentage will raise a hue and cry among political community faithful who are disposed first and foremost to uphold such electorally safe issues as pacifism and rejection of nuclear weapons. It is doubtful, therefore, whether the government will adopt the only possible solution to the air force's troubles--readjustment of its budget--in this pre-electoral period when the armed forces do not strike anyone's fancy, unless it be that of their some 100,000 civilian employees and the thousands

of workers who live on military equipment orders.

Series of Cancellations

If no solution materializes within the coming weeks, the air force will not be able in any case to replace flying hours with hours in a flight simulator. While these two distinct training activities are both necessary, the flight simulator is already being used with a maximum frequency that cannot be increased if the air force wishes to remain in a situation minimizing accident risks and optimizing pilot qualification. Hence no additional fuel savings are possible through use of flight simulators. On the other hand, there are plans to cancel the fighter gunnery practice which all squadrons conduct three times every 2 years at Solenzara, Corsica. All squadron visits to foreign countries will likewise be cancelled because such straight-line flights provide no useful training. The 15th Transport Wing's flights are also likely to be reduced in favor of the fighter units. Under these circumstances will the air force continue to furnish transportation to our cabinet ministers for official trips? The answer is "yes" because for the past 4 years the ministerial departments concerned have been reimbursing the air force for such flights. The Paratroop-Commando Regiment's airdrop exercises with Hercules C-130 aircraft are also in jeopardy. Unless the army likewise agrees to pay for such flights, our paratroopers might indeed have to limit themselves to drops from balloons. Of our air force's 500 pilots--including 100 student pilots, 250 fighter pilots, and 100 helicopter or transport pilots--some 50 continue to perform training flights although they are assigned to general staff duties. It has been suggested that such flights be cancelled as an economy measure. But such action would be highly absurd because these pilots--restricted to 50 hours per year exclusively in training or transport aircraft having the least expensive hourly operating costs--may be reassigned at any time to flight duty in a squadron. And without this minimum 50 hours of training they would then have to undergo refresher training that would be even more expensive. In addition, these flying hours serve to maintain contact and a psychological bridge between the executive echelon and staff officer's who are pilots.

The ball is, therefore, in the political court. Political authorities must find a way to have our aircraft fly, aircraft whose grounding would be deplorable, and also an economical way of operating equipment we have made such a financial effort to acquire. Because if nothing is done, it will be impossible to prevent some people from believing that the F-16 aircraft were purchased to provide work for the Belgian aircraft industry more than to meet the modernization needs of an air force that must conform to the requirements of an Atlantic Alliance to which it belongs solely because Belgian members of parliament in the late 1940's resolutely ratified the treaty establishing NATO.

In the meantime, all flight demonstrations were cancelled at the air meet held at Coxyde early this month. In addition, the 21 July [national holiday] parade will be reduced to a merely pedestrian show and the air force has cancelled its participation in this fall's NATO maneuvers.

GREENLAND, CANADA ESKIMOS OPPOSE PLAN TO SHIP GAS IN STRAIT

Stockholm DAGENS NYHETER in Swedish 18 Jul 82 p 19

[Article by Sylvia Hild]

[Text] The world's northernmost autochthonous people, the Innuits, presently are engaged in a bitter and uneven struggle against the exploitation of natural resources in the Arctic by giant corporations. The search for raw materials has led to events that threaten areas of the world that, until now, have remained relatively untouched.

The Canadian energy project Arctic Pilot Project is perhaps the most ruthless example of how short-sighted economic interests are permitted to encroach on the extremely sensitive Arctic environment. The purpose of the project is to transport natural gas year-round in ice-breaking supertankers through the Northwest Passage down to eastern Canada.

The noise from these gigantic ships could destroy the ecological balance to such an extent that a large portion of Greenland's population would lose its livelihood and be forced to move.

The Arctic Pilot Project, APP, is being financed by Dome Petroleum and the state-owned Petro-Canada oil company, among others.

For a period of 20 years beginning in 1986, the project would test the economic and technical feasibility of transporting natural gas from Melville Island and the Arctic archipelago to markets in eastern Canada.

Disregarding the environmental consequences, those involved in APP are prepared to risk opening a corridor for year-round sailing through Baffin Bay and Davis Sound.

So far, no regular traffic has existed at these latitudes. Shipping in the Arctic presents many technical problems, but the technical experts involved in the project are not discouraged. Drawings already have been made for two 140,000-ton supertankers. The engines are dimensioned for continuous speeds while breaking through 2-m thick ice. The world's largest ship (550,000 dead weight tons) has an engine power of 65,000 hp. The APP tankers will be equipped with 200,000-hp engines!

The ice on the Canadian side, however, is so thick that not even 200,000 horsepower can break through it. Instead, the route will be along the Greenland side of the midway line, where the ice is thinner. The ships will pass 10 to 15 km of the coast of Greenland.

Important Hunting

People live along this coast from the Thule region in the north to Disko Bay in the south who are totally dependent on hunting sea mammals, primarily whale, seal, and walrus. The hunting is done in the traditional manner with dog sleds and kayaks.

"We must depend on renewable resources," said Pavia Nielsen from the hunting and fishing village of Uummannaq. "Even in these modern times we need seal skins to make clothing, since we live in an extremely severe climate. We also are dependent on the animals for our income so that we can pay for our daily needs, for example our houses, boats, and hunting equipment. Apart from hunting and fishing, we have no way to survive."

Pavia is afraid that his existence as a hunter and fisherman will be threatened if APP becomes a reality.

Sensitive to Noise

"Our entire way of life will be destroyed. Sea mammals are extremely sensitive to noise. The only reason that I can approach an animal is that my kayak is so quiet. If the slightest unfamiliar noise is heard, the animals disappear. The problem is not simply that a few animals become frightened. The animals communicate with one another when there is danger about and it soon becomes difficult to find any other animals in the area."

What the Innuits fear is the high noise level of the APP ships. When a careless stroke of a paddle is sufficient to scare away a seal, it is not particularly difficult to see what the consequences of a passing ship would be.

Prof Berthel Mohl of Aarhus University has studied this problem. Under normal conditions, whales can communicate with each other up to distances of 10 km. They send signals to other whales to tell them where food can be found. The signals also are vital for reproduction. If a whale should be in the noise zone of an APP tanker, however, the communication radius of the animal would be reduced to 40 m within 100 km of the ship.

"If we compare the situation to noise levels in our factories, we would say that the whales would need hearing protection," Mohl said in his report.

For 6 months of the year the hunters travel over ocean ice to reach their hunting spots. The APP tankers would cross the sledding paths and break channels in the ice that hardly could be crossed with a team of dogs. But Petro-Canada believes it has the answer. In a brochure it tells what the hunters would do when the ice had been broken by the supertankers. They simply

would cut out an ice floe and use it as a bridge. Otherwise, they could stand on the ice floe and ask someone on the other side to pull it across the open water. The fact that the hunters usually are alone and also lack tools such as power saws and amphibious boats seems to have escaped Petro-Canada.

There are 15 large glaciers along the planned APP route. In Baffin Bay alone there are at least 40,000 icebergs each year. The icebergs present a danger to navigation in the dark. An accident could have vast consequences. Leaking gas could cause violent explosions. There is no way to clean up or burn away oil that could leak and flow under the ice. Perhaps the world's finest shrimp banks, which are found in Davis Sound, could be destroyed and all shrimp stocks there would be threatened. Fish, too, would be hard hit by an accident.

The government of Greenland has expressed unanimous opposition to the use of supertankers in Davis Sound.

"This is a threat of such magnitude that it normally would have led to a serious crisis in relations between the countries involved," said Greenland's representative at the EC Parliament, Finn Lynge. "APP seems prepared to sacrifice the interests of our country for its own economic gain."

"The issue must be raised at the United Nations by the Danish government so that we can work together with people throughout the world to stop the project," it was said at a meeting of the parliament of Greenland concerning the APP question.

This year Canada's Energy Board has arranged two hearings on APP. During these hearings, hunters and politicians from Greenland gave testimony on the environmental consequences of the project. Contrary to the Greenlandic view, the Canadian federal government believes that the burden of proof lies with Greenland.

Conditional Approval

This testimony is only a small portion of the extensive material the Energy Board will study. In late 1982 the board will inform the federal government of its position. The government then will decide the future of the project. According to Greenlandic and Canadian spokesmen, the probable outcome is that the project will be approved subject to the condition that APP take steps to limit the environmental pollution.

The federal government can find support for its decision in international law, which states that sounds shall be free for passage. The United Nations, however, has prepared a new law of the sea convention. It includes an article making it possible for maritime nations to legislate against pollution from ships in ice-covered seas. The Reagan administration has postponed ratification of the convention, however. It may be signed this year. At that time, Greenland will request a decision on whether or not noise pollution can be considered pollution of the sea.

In Canada, too, the project has been harshly criticized. The autochthonous population, the Innuits, demand that their rights be established by the courts before any decisions are made on industrial development in the Arctic regions. They maintain that it is in the interest of all Canadian people to protect the Arctic from exploitation.

No Market

Several environmental and consumer organizations argue that there is no domestic market for the APP gas. The project actually is designed for exports and will do nothing to solve the national energy problem.

The forces behind APP are quick to point out that it is only a trial project, but a project that costs \$2 billion and includes 20-year agreements hardly could be broken if, for example, serious environmental problems arose. Instead, the pilot project will open the door to other, considerably larger transports of oil and other raw materials from the Arctic. Already existing proposals would amount to 1,000 transports annually through the Northwest Passage. If APP is not stopped now, one of the world's oldest and most unique fishing and hunting cultures will be destroyed, according to critics.

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EUROPEAN INVESTMENT BANK FUNDS ENERGY PROJECTS

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jul 82 p 3

[Article by Helle Ravn Larsen]

[Text] During 1981, Denmark received 12 loans from the European Investment Bank. More than 80 percent of the amount borrowed went to energy projects--especially the gas pipelines. The loans added up to 142.9 million ECU or 1.12 billion kroner.

Of the 12 projects, six are energy projects. Among the other projects are a purification plant, an integration of the Greenland telecommunications network into the unified Danish network and the establishment of a center for fisheries and ocean research in Hirtshals.

In addition to the concrete projects, the Danish state--the Finance Ministry--received a loan to be used to finance small and medium-size industrial projects in regional development areas, according to the annual report for 1981 of the European Investment Bank, which has just been released.

The European Investment Bank was established in 1958 and its members are the 10 EC countries. The purpose of the bank is to assist a balanced development in member countries and to try to promote industry and employment, without making profits itself.

The bank's funds come from contributions of member countries and loans on the EC countries' capital markets, from third countries and on the international capital market.

In 1981 the European Investment Bank lent out 30.7 billion kroner, an increase of 10 percent compared to the previous year. In the five preceding budget years, the lending increase averaged 30 percent a year.

Working profits in 1981 were around 2 billion kroner, compared to 1.67 billion kroner the year before. At the end of 1981, the bank's status statement balanced at 156 billion kroner compared to 121 billion kroner the previous year. That is an increase of a good 29 percent.

The greater part of loans issued by the European Investment Bank go to EC member countries. Italy is the land that has borrowed most from the bank, namely 1,251.4 million ECU. An ECU is worth about 8 Danish kroner. Denmark is in eighth place after Italy, Ireland, Germany, France, Great Britain, Belgium and Greece.

SEARCH FOR OIL IN EAST GREENLAND CONTINUES

Copenhagen INFORMATION in Danish 22 Jul 82 p 4

[Text] Seismic explorations are being made for oil in impassible areas. Greenlanders are skeptical.

In spite of the negative results of the oil explorations on the Greenland shelf in Davis Strait in the last half of the 1970's, expectations of finding oil or gas in Greenland remain so high that the search is under way once again--this time on land.

The Nordic Mine Company, in cooperation with its major American stockholder, Arco, has been conducting a preliminary seismic exploration program in impassible Jamesonland, which is largely "inhabited" by muskoxen, in East Greenland, north of Illoqortormiut (Scoresbysund).

In reality the work was started on the basis of anticipation of a permit, since talks on a concession basis between the Danish-Greenland raw materials administration and Nordic Mine Company plus Arco have now been going on for a year, with no conclusion having been reached yet.

For the time being, the two companies have been given a preliminary exploration permit for 1 year based on a general exploration and extraction concession acquired by the Nordic Mine Company in 1952 for the entire area.

Revision Requested

At that time, no one dreamed that anybody would think of looking for oil or gas in Greenland and the Danish-Greenland Joint Council on Mineral Raw Materials in Greenland, which was a result of the introduction of home rule in 1979, has requested a revision of the concession.

For one thing, the council wants oil exploration put in a separate concession, along the lines of the North Sea model, and for another, the joint council wants the general concession revised in accordance with a new mining law for Greenland which was also introduced in 1979.

According to the head of the raw materials administration, Gert Vigh, both sides agree that such a revision is a sensible idea, but he admitted that this involves complicated negotiations that will not be cleared up anytime soon.

Financing

One of the reasons why the Nordic Mine Company has agreed to negotiate a revision of the original concession, which will mean a radical change in and tightening up of the terms--not least the economic terms--is that the company itself is unable to finance such a large project and under the terms of the old concession, any outside partners must be approved by the state, which is also a stockholder in the Nordic Mine Company.

Arco, which among other things operates the big oil project at Prudhoe Bay in Alaska, is an obvious partner with its 35 percent share in the Nordic Mine Company, but the joint council has made it an absolute point in the outline of the negotiations that there must be "a substantial element of public participation," in other words the Danish state and the home rule government must take an active part in future oil extraction.

The joint council, whose chairman is government chairman Jonathan Motzfeldt, will leave Friday together with Greenland Affairs Minister Tove Lindbo on a 6-day orientation trip to Jamesonland where among other things they will meet with representatives of Arco and Nordic Mine Company.

Actual exploratory drilling cannot begin before 1987-88 at the earliest, after more extensive seismological studies have been made--assuming that the parties can agree on a new concession basis.

In the meantime, the home rule government must combat internal opposition to the project, especially among the local population which is concerned about the effects on the fragile Arctic environment both on land and at sea.

Widespread Skepticism

There is widespread skepticism among the people of Greenland concerning oil exploration and its subsequent activities, including the passage of tankers that could threaten traditional fishing and trapping interests. Among other things this has led to sharp protests, also from official Danish-Greenland circles, against Canadian plans to transport natural gas in big ice-breaking tankers traveling close to the coast of Greenland.

And there is only political support for oil exploration on land, while Greenlanders in particular do not want resumption of the offshore activities conducted off West Greenland.

It is felt that oil explorations on land do not involve the same risks and the new Greenland home rule government could use the money from a possible oil venture.

The expectations of finding oil are based on the fact that geologic conditions in East Greenland and off its coast are identical to those on the Norwegian shelf, where large oil and gas deposits have been found.

Geologists assume that way back in the dawn of time, East Greenland and West Norway were part of the same structure, making it logical to look at East Greenland after five exploratory drillings off the west coast of Greenland proved negative.

Despite the decision not to allow offshore activities, extensive aeromagnetic and seismological studies have been made off East Greenland since 1980 under official auspices, with the Greenland Geologic Survey acting as project leader.

These studies will end this year and have cost a total of 38 million kroner and the rest of the Energy Ministry's energy research funds.

Even larger sums will be invested in the preliminary studies on land before a decision is made on real test drilling and then real investments will be called for. It is estimated that each drilling on land will cost close to \$30 million (about 255 million kroner) in today's prices.

6578

CSO: 3106/148

EXCESS INVENTORIES, DROP IN SUBSIDIES TROUBLE COAL INDUSTRY

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Jul 82 p 11

[Article by Hugo Mueller-Vogg: "Threefold Burden on German Coal"]

[Text] In the German hard coal industry the dumps are piling up again, a visible sign that production is ahead of sales. With the same fixation on the moment that only a few years ago produced the euphoric expression of the "renaissance of coal," there are some who are now talking about a new coal crisis. Just as much as the mood of "coal, coal, above all" was premature, the exact opposite would be as wrong today. Because the piled-up coal as well as the red figures of the Ruhrkohle AG are only pointing to the fact that for hard coal mining things have remained unchanged; it still must live with a threefold burden: its involvement with the economic ups and downs, its dependence on international energy markets and, finally, its need of public funds for survival.

Of course, it is only natural that the general development of supply and demand has a direct or an indirect effect on the production and sales of an industry. The German coal industry, however, sells approximately nine-tenths of its production to two groups of customers who are particularly susceptible to economic changes: the steel industry and electricity producers. As a consequence, it is currently suffering from the fact that the worldwide economic slump is putting a damper on the demand for steel, increasing the structural difficulties which already exist in this industry. In addition, the current recession is also affecting consumption of electricity. Whatever coal can and will be able to gain in this area at the expense of heavy heating oil and natural gas on one hand, will be lost again, on the other hand, because the demand for electricity will grow only slowly and because of general efforts to conserve energy.

Furthermore, two world energy crises did not lead to a new orientation as had been hoped by the mining industry. The conversion from oil to coal did not proceed as extensively and quickly in this country as had been expected only a few years ago. To be sure, domestic hard coal replaced heavy heating oil in power plants quite extensively due to its price advantage and thanks to the conversion financed with the "coal penny"; the same applies to natural gas because its price is tied to the oil through the adjustment clause. But in the steel industry and in cement plants, which had already used coal before

boom and where the conversion did not require the outlay of investments, the return to coal was relatively quick. In many other industries, however, where the use of coal would also be possible technically, petroleum is still used today.

There are also psychological reasons for the opposition to coal in places where it would certainly be economical. It has nothing to do with the legal limitations to the import of cheaper foreign coal. If coal imports could enter the country without any restrictions on quantity, today's coal users would certainly benefit from this buying opportunity; new customers could not be won that way; because regardless of all import restrictions, everybody receives an import permit who wants to use coal instead of heating oil or natural gas.

Nevertheless, since confidence in a world without energy crises has grown again although it is very speculative, there are also economic considerations. Many enterprises are financially simply unable to convert to coal when existing oil plants have not yet been written off. Furthermore, on the heating market coal is at a severe disadvantage compared to other forms of energy. While power plant technology continued to develop during the coal crisis of the 1960's and has certainly become an "export item" in demand, there is a definite shortage of appropriate demonstration objects for supplying the heating market with coal energy.

In view of all these facts, today nobody in the German coal-mining industry is still talking about an expansion in the output from its current 90 million tons per year to 100 or even 120 million tons. Although such an expansion of capacities has always been based on the growing worldwide demand for coal in general and the maintenance of the most important domestic energy reserves in particular, in the meantime the realization has prevailed that the exploration of new markets must take precedence over an expansion of production. In addition, all participants are in agreement that no money is available for anything except the maintenance of current production capacities.

At any rate, at the present time the coal industry is finding out that the firm foundation of promised subsidies has become shaky. To be sure, the slogans of "coal-preference policies" were not broadcast until 1-1/2 years ago during the struggle for power in Duesseldorf and Bonn. But dictated by empty treasuries, the FRG government as well as those in power in North-Rhine Westphalia feel that it is more important to muddle through from one budget deficit to another budget deficit rather than to hold on to their own future plans.

The coal-mining industry even became one of the first victims of austerity. Because public treasuries are empty, when it comes to coke coal for the steel industry, for instance, it is expected to pay a bigger and bigger share of the cost: whereas 4 years ago coal-mining companies had to contribute only DM 1.50 per ton to bring down their own "prices" to the level of prices for imported coal and the rest of the money came from the public sector, in 1981 they were expected to contribute as much as DM 14 per ton. And the budget plan of the current year is calling for a contribution of DM 20 although

DM 14 already put the enterprises deep in the red. After all, Bonn made big cuts in those areas where it is not losing any votes at the moment, in other words, investment subsidies in the coal industry. To be sure, it is compatible with many other Bonn resolutions, but it jeopardizes the contribution of German hard coal supplies in later years.

Consequently the current mood in the mining industry is not the best, although enterprises as well as labor unions are careful about even mentioning the word of closing down mines. Nevertheless, the need to save money is leading to a cutback in jobs, stretching of investments and other austerity measures.

It certainly is not a permanent solution. But the coal-mining industry is not (yet) in a position to come up with reasonable permanent solutions by itself. As a consequence, in addition to its dependency on the steel industry and international oil markets it has to live with a third burden: the impossibility of predicting decisions in energy policies with sufficient accuracy. Whoever depends on subsidies, also makes himself dependent on changing budget situations.

8991

CSO: 3103/593

BRIEFS

PEAT PRODUCTION REMAINS STRONG--Last year's figures have already been exceeded in the production of peat used for fuel even though the excavation season is only at the half way point. Peat production is dependent on weather conditions, which have remained significantly drier than last year in the western sections of the country. The State Fuel Center (Vapo) had by the beginning of the current week excavated 6 million cubic meters of milled peat and .5 million cubic meters of fragmented peat. By the same time last year a total of approximately 1.5 million cubic meters had been stored and only 5 million cubic meters were excavated throughout the whole summer in between rains. The amount of peat excavated now is not yet sufficient for next winter's needs. Approximately 7 million cubic meters of peat were burned last winter. It is estimated that the amount will increase slightly next winter. Previous reserves have been completely exhausted. The excavation goal for this year is 12 million cubic meters of milled peat and more than a million cubic meters of fragmented peat. So far the best result was achieved in 1980 with 9 million cubic meters. Administrative Manager Reijo Kilpelainen of Vapo states that half of the goal has been achieved. If the remainder of the summer is normal, Vapo is optimistic that the goal will be reached. In spite of the cold the weather has been favorable for the excavation of peat in Western Finland, Pohjanmaa, and Central Finland. Northern Karelia and Northern Finland have had the most rain. Vapo will excavate approximately 80 percent of the total amount of peat used for fuel. Kilpelainen states that the number of peat bogs has increased by nearly one-third since last year. Vapo is now operating at 130 sites. It takes 5 years before a bog produces peat. This includes the installation of drainage, digging, road construction, and possibly even the construction of buildings. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 19 Jun 82 p 19] 10576

CSO: 4107/149

INDUSTRY MINISTRY OFFICIAL STRESSES DIVERSIFIED COAL POLICY

Paris COMBUSTIBLES ET CARBURANTS in French Jun 82 pp 18-19

[Speech by assistant director of the Gas, Electricity, and Coal Department of the Ministry of Industry, Mr Ferchaux, at the 56th National Fuels Congress, June 1982]

[Excerpts] It is not without some apprehension that I have come to speak after the meeting of the coal commission, which was particularly lively. As a number of issues pertaining to coal were discussed under the always effective and remarkable leadership of Mr Guilluy, I was wondering what I should say, when Mr Mocquet came to my aid. Mr Mocquet has just said that the minister of energy, Mr Herve, did not believe in coal, especially not in coal intended for household use. Here I must speak out and categorically deny this dual assertion. The minister of energy, for over a year, has constantly been concerned about implementing a variety of measures to help us to achieve the ambitious objectives of the new coal policy. Furthermore, I want to assure you that the sector of household uses of coal has not been ostracized; that is far from the true situation.

Consequently, I will try to convince you, although I first thought you already were convinced, that the minister of energy is certain about the future of coal. In the first place, I will remind you of the major orientations of the new coal policy.

As you will remember, the administration presented its Energy Independence Plan to parliament, and the plan was approved last October. The title of this plan in itself is sufficiently clear about the main goal being pursued, since it sets as its objective for 1990 a 50 percent rate of energy independence; in 1980 this rate was only 29 percent. In this context, coal has a special role to play. Our country does have a number of advantages, which can help us in implementing a dynamic coal policy:

- a. A national production to which we should give priority;
- b. A substantial potential market, especially in industry and district heating systems;
- c. Human and technological resources which should be put to better use both in France and abroad;
- d. Lengthy experience with the international coal trade;
- e. And finally, the existence of a coal industry which is both dynamic and experienced in coal mining and sales.

The administration plans to make use of these resources and advantages in order to achieve the objectives it has set for 1990, by means of the three main orientations stated in the letter containing guidelines addressed to the CDF [French Coal Board]:

- a. The development of coal consumption (between 53 and 60 million tons);
- b. Preference should be given to French coal (to cover half of demand);
- c. The necessary foreign supply should be obtained, and France should take part in the international development of coal.

Concerning the expanded uses of coal, the resources implemented entail:

- a. The mobilization of minds. This is being done by organizing colloquia. While these colloquia were originally held almost entirely in Paris, they have now begun to be held in the regions.
- b. Financial aid for coal-usage investments has been increased (bonuses, guaranteed and deregulated loans, tax deductions, assistance from SOFERGIES [expansion unknown]).
- c. The development of a program to improve coal-usage technologies implemented by the CODETEC [Committee to Develop Coal-Usage Technologies] with the assistance of equipment manufacturers and reserach organizations, with the CERCHAR [French Center for Coal Studies] in the forefront.

d. The preparation of a coal gasification program.

Concerning our national production, it is CDF's responsibility to ensure the optimum development of our own resources, by means of a contract to be signed with the state sometime during the next few months.

The guidelines sent to the CDF state the major outlines:

- a. The implementation of a major prospecting program in the most favorable areas.
- b. The preparation of mining programs favoring coalfields where the most modern and highly mechanized methods can be used.
- c. Preference should be given to national coal, as approved by parliament in October 1961, by setting the acceptable surcharge for national coal in relation to international coal prices at 2.5 c/therm.

Finally, on the subject of control of foreign supplies which will remain quite large, our country must not be content with just being a simple coal importer and obtaining the best possible diversification. We must take an active part in the worldwide development of coal production and trade. France is in a good position to make a useful contribution to the development of the coal resources of the developing countries.

This leads me to mention the coal programs during the 1981-1982 and 1982-1983 seasons. On the subject of the latter program, I will be brief since Mr Jauffret described it to the coal commission perfectly clearly. I will simply comment that for the second consecutive year, the recession was severe (-14 percent). Only demand is a factor in this, since there were no special problems with the coal supply, at least in terms of quantity.

If we want to go beyond that simple observation and try to learn some lessons of value for the future, it will be instructive to analyze the rates of recession according to product category. These rates ranged from -6 percent for "defumed" balls to -24 percent for anthracites of over 20 mm. It is certainly not a matter of chance that the most expensive products have declined most steeply. For the first time in over 10 years, the percentage of 20-mm coal in all sales, which had remained steadily at 26 percent, shifted and lost two percentage points. In the opposite direction, the percentage occupied

by "defumed" coal balls rose from 15 to 16.8 percent. This movement reflects the reaction of consumers to these divergent price trends. Based on the constraints inherent in the use of solid mineral fuels, which even the strongest proponents of coal can not deny, it doesn't seem possible to sell coal, for any significant length of time, at a price per therm to the consumer that is notably higher than the price of competitive forms of energy. In this respect, if we had to pick one positive element in the 1981-1982 season, it would be the relatively good behavior of the agglomerates. The efforts made by the coal industry--including the "Procharbon" activities, publicity in this journal, COMBUSTIBLES ET CARBURANTS, and specific regional incentives--have certainly had something to do with this, and we will have to encourage such activities to continue. And since Mr Le Guilloux has just offered you the support of CDF-Energie, I can only strongly encourage you to request this assistance.

For the new season, the industry's demand estimates are roughly at the same level as last year's. The general slackening now observed in the coal market should have an impact on prices, and we should make use of this opportunity to expand the price differential between coal and the prices of other competitive forms of energy to the consumer. This new season should not necessarily be marked by problems with supply, but rather there may be problems of adjusting supply to fit the reduced possibilities of the market. During recent seasons, the reduction in demand affected various producers or importers quite differently.

The sectors most affected were anthracite imports from third party countries (a reduction of over 50 percent) and the industry in the coastal area (17 percent). Such a trend is cause for concern because of the shutdowns of various facilities which it has already caused. Independently of the good equilibrium of the coal market, particularly in the west of France, in the past these sectors have helped to provide the flexibility needed to compensate for economic fluctuations. That is why there should be close cooperation maintained between the various parties involved in order to try to change this trend and, to the extent possible, to avoid new closures of facilities that would not inevitably be fated to close. Your actions during the coal meeting have proved, if any proof were needed, that you want to assume your full responsibilities in a climate of healthy competition. This does entail a plurality of suppliers. This is why we have to hope that the coastal industry will be able to survive its present difficulties and

that the importers-distributors, with the enlightened assistance of the ATIC [Technical Assistance for Coal Imports], may obtain the volume of imported screened coal they need, at an acceptable price. Negotiations on this issue are to be held soon with our traditional supplier.

Concerning the bonuses granted for investments to make possible the use of coal in industry and in district heating systems, three changes have been made:

- a. The amount of the bonus granted for district heating systems will be the same as the bonus for industry: 250 f/TEP [Tons of Petroleum Equivalent], instead of 200 f/TEP.
- b. There will be a possibility of raising the ceiling of this bonus to 400 f/TEP for operations that are considered to serve as catalysts, that is, which may provide a noteworthy example.
- c. The lowering of the eligibility floor for projects to 600 kw of power or a hydrocarbon consumption avoided of at least 250 TEP per year, which is the equivalent of approximately 50 housing units. These measures will extend the area which can benefit from this assistance, which is now becoming completely accessible to the coal industry.

The "regionalization" aspect of the energy policy should be used by the coal industry in order to better display its capabilities and its desire to take an active part in the "coal renaissance."

It is with these words of hope that I would like to conclude my remarks. I thank you very sincerely for your courteous attention and for your welcome, which has always been warm and friendly.

7679
CSO: 3100/821

ALGERIAN, NORTH SEA GAS DELIVERIES AFFECT 1981 GAS RESULTS

Paris LES ECHOS in French 12 Jul 82 p 13

[Text] For GDF [French Gas Company], the main feature of the 1981 fiscal year was the abrupt worsening of its financial status.

Its financial position at the end of 1980 was satisfactory: sales had shown a vigorous growth, results were positive, and its gross self-financing capacity had had a strong upturn.

In 1981, however, GDF had the worst financial results of its history.

Essentially, the reason for this change lies in the belated nature of its rate adjustments in relation to variations in the cost of its gas supplies. Although rate hikes in March and July produced a rate level higher than the rate which would have assured balanced accounts, if these rates had been in effect for the entire year, these increases, because of their late date, were unable to compensate for price increases which GDF had to pay.

France's total supply of natural gas in 1981 amounted to 302 billion kWh, a growth of 3.9 percent in relation to 1980.

France's own production, down slightly, provided 25 percent of this gas, compared with 27.6 percent in 1980. Gas imports provided 75 percent of the total. 31.4 percent came from the Groningen fields, 9.3 percent from the Norwegian North Sea, 14.9 percent from the USSR, and 3.8 percent from Germany. Gas from Algeria provided 15.3 percent of the total, and various spot purchases added 0.3 percent.

GDF's purchases increased by 5.9 percent over 1980, reaching 264.7 billion kWh, of which 264.5 billion were natural gas.

Natural gas purchased in France amounted to 37.9 billion kWh; this was a decline of 2.8 percent, and accounted for 14.3 percent of the total supplies. Purchases of imported gas came to 226.5 billion kWh, an increase of 7.7 percent over the preceding year.

Gas purchases in 1981 were marked by irregularities in supplies from Algeria and also by a certain decline in shipments from the North Sea. Still, the gas in storage at the start of the heating season was the maximum that could technically be stored.

From the point of view of supply contracts, 1981 was a year of negotiations conducted on a number of levels, with both persistence and tenacity.

The contracts signed in December 1980 by a European purchasing consortium with the Norwegian company, Statoil, have had a number of ramifications, in terms of agreements reached with other oil companies with interests in the same fields.

In Nigeria, Philips decided to withdraw from the Bonny LNG Ltd company, which had signed an agreement in principle for the sale of gas to a European consortium, of which GDF is a member. So it does seem that there may be some delay in the Nigerian project. At the same time, a project to import gas from Cameroon to Europe has taken shape.

Contacts have also been maintained with the promoters of GNL [Liquefied Natural Gas] sales projects, such as the Arctic Pilot Project from the Canadian Arctic, and also with officials in Trinidad and Tobago.

Concerning Algerian gas, the guidelines of an agreement on liquefied natural gas shipments from Algeria to France were settled on 1 December 1981 at the conclusion of the meeting between the presidents of France and Algeria. These guidelines were set forth in a statement of conclusions signed on 20 December 1981 in Paris by the French minister of foreign relations and the Algerian minister of foreign affairs.

Negotiations have continued with the Soyuzgasexport for the purchase of 8 billion cubic meters of gas, part of the project to import gas from western Siberia. However, no agreement on prices was reached in 1981.

The percentage of gas in France's national energy usage pattern continued to grow; based on data corrected for seasonal variations, the percentage rose from 12.3 percent in 1980 to 13.2 percent in 1981. However, the notable slowdown in economic growth and the increase in energy conservation have combined to reduce French primary energy consumption by about 2.1 percent in relation to 1980.

During the same year, sales by the gas establishment and its subsidiaries reached 278.6 billion kWh, exceeding by 3.5 percent those of the preceding year. If we added to these sales, sales by the national company, Elf-Aquitaine (production) to its direct customers, the total comes to 291 billion kWh.

Sales can be broken down as follows:

residential and tertiary sector	56.1 percent
industrial sector	43.8 percent
power plants	0.1 percent

For GDF by itself, the amounts delivered, including deliveries to the CEFEM [Company for Electromechanical Studies and Manufacturing], amounted to 245.5 billion kWh, an increase of 4.7 percent, compared with a 5 percent increase in 1980.

Sales to the residential sector came to 37.6 percent of total sales; they declined by 0.7 percent, corresponding to a decline of 2.9 percent for individual usage and an increase of 6.6 percent for collective use. Corrected for seasonal effects, these variations were: +6.4 percent, +3.9 percent, and +14.8 percent, respectively.

Sales to the tertiary sector, which includes business and community uses, amounted to 13.5 percent of total sales. They increased by 0.9 percent, which is a growth of 6.8 percent after correction for weather variations.

Sales to industry came to 41.6 percent of the total. This was a 9 percent increase over sales in 1980, while sales to electric power plants declined to 28 million kWh.

The financial situation was hurt by the increase in the price of gas purchased, by the lack of capital investment, and above all by the belated nature of the rate increases. The borrowing this caused had an especially heavy impact on the operating account, as the amount of loans in foreign currencies is becoming significant.

The increase in the cost of buying gas and raw materials came to 7.8 billion francs in 1981, a 56.6 percent rise. Of this amount, 6.96 billion of the increase came from the rise in the unit purchase price, and 799 million from the increased quantities purchased.

The value of imported gas increased by 6.9 billion and its unit price by 51.7 percent. This increase may be attributed, in roughly equal proportions, to the rise in the cost of reference fuels, and to the shifts in exchange rates for a number of currencies, primarily the dollar.

Personnel costs, other operating costs, and central service expenses increased by about 761.6 million francs, or 14.6 percent. Payments for amortization and advances, and financing costs increased by 381.2 and 450.5 million francs, or 14.9 and 39.8 percent, respectively.

The total increase in costs was 38.6 percent, or 8.3 billion francs instead of 6.4 billion, as it had been in 1980. The increase in sales, which rose from 21.7 to 29.4 billion francs, or 35.3 percent, was unable to compensate for this.

The average level of rates increased in stages during the year. On 27 March there was a 5 percent increase, and on 1 July, a 22.1 percent increase (on the average).

Although these increases are large, because of their belated and staggered nature, they were not sufficient to cover the increase in costs. This increase rose from 8.90 to 11.86 c/kWh, while the average earnings per kWh sold rose from 8.92 to 11.61 c/kWh.

Finally, the general operating account showed a deficit of 600.5 million francs, while it had a surplus of 51.6 million francs in 1980. Profits and losses, which showed a positive result in 1980 of 48.9 million francs, became negative by 950 million in 1981.

The gross self-financing capability has declined from 4.510 to 2.2268 billion francs. Now it amounts to only 40.3 percent of the total financing needs, compared with 52.3 percent in 1979, and 43.5 percent in 1980. This is true even though the financing requirements declined by 240 million, because of a lesser increase in the gas cushion.

The company's net resources available for investment now amount to only 11.3 percent of the amount of investments, compared with 52 percent in 1979 and 12.5 percent in 1980. Financing operations have increased the debt by 5.2 billion.

The 1982 fiscal year seems to be repeating the same pattern as the 1981 period.

Of course, the prices of the fuels which are used as a base for indexing gas prices have shown some decline. But the effects of this decline have been much more than offset by the incidence of monetary phenomena.

A rate increase at the uniform rate of 5 percent was made on 5 March 1981. Even if a new rate increase may be made during the summer, the belated nature of the rate increases and the decline in exchange rates will combine to produce a very large deficit.

While still bearing in mind the competition of oil products and electricity, GDF is still capable of carrying out its mission, while keeping its accounts in equilibrium, if it is able to adjust its rates in time, both in terms of their structure and their level, while at the same time pursuing rigorous management methods.

7679

CSO: 3100/821

UNION LEADER VIEWS RESULTS FOR NORTH FROM OIL, GAS DRILLING

Oslo ARBEIDERBLADET in Norwegian 12 Jul 82 p 7

[Article by Jan Ove Ekeberg: "North Norway and the Future: Oil Can Give Us a New Incentive"]

[Text] "North Norway has always been the second team in Norwegian industry and economic life. Today our traditional branches of industry such as fishery, mining and smelting have big problems. We need the oil activity. It will give us a new incentive, a new push forward, and put us on the same path as the rest of the country." This was said by the chairman of the Oil Cartel Committee of LO [Federation of Trade Unions] Hans Nordal Jensen. Nordal Jensen is the LO district secretary for Nordland.

"As I understand it, most people in north Norway are in agreement on that. This is new, because not long ago we each sat on our own fence and shouted yes or no to oil activity in the north. Now this entire part of the country understands that oil activity has come to stay, and adapted to it.

"The discussion has become much more directed, and the questions now are: How can we get the most influence over developments? How will the different interest groups cooperate? How can the labor movement and industry prepare themselves?

"We have come quite a long way, and I have no fear that the 'oil adventure' will turn into an 'oil nightmare' for us northerners. But there is still much to be done."

Cooperative Links

"There is no fear of being overrun by competitors from the south or from abroad, causing related activities in this region to become deplorably small.

"I do not believe that will happen. To atone for the fact that most firms here are small, a cooperative business named Unifab has been started, which

most of us have confidence in. Through this company industry can take on larger tasks together here in the North Sea. The result of cooperative activities so far is positive.

"But it is clear that we can neither manage nor hope that everything connected with oil activity in the north will happen in north Norway. In that connection, one aspect that has been little talked about is cooperation in the Nordic Arctic area. Finnish and Swedish labor movements follow developments in north Norway carefully. We have meetings with them as equals, and interest in participating in future activities is great. In Sweden and Finland the northern sections still have greater problems than north Norway. Unemployment is greater there.

"We hope that the central authorities will come forth with concrete recommendations for Norwegian cooperation in the north. Until now it has only been expressions of will."

Opposition

"You said in the beginning of the interview, Nordal Jensen, that 'the entire section understood that oil activity has come to stay, and adapted to it.' Does that mean that all opposition has also disappeared?"

"It is clear that opposition is there, as it is everywhere else. But what we all now see clearly is that this section of the country has long been in a readjustment phase and that it will grow and be strengthened wherever there is oil activity. Now that the debate has become more constructive we have also reached agreements for contact and cooperation. The North Norway Oil Council deserves much of the honor for this development, and is in itself the most important organ for cooperation. It has representatives of the labor movement, fisheries, industry and local government. But we are also seeing other cooperative organs growing. One example is the concrete cooperation between Statoil and The Norwegian Fishermen's Association on the developments at Tromsøflaket."

"Are there those who fear a strong new centralization as a result of the oil activity?"

"There are perhaps some who do. But there has not been significant disagreement in this part of the country about the placing of different activities connected with oil, with one exception--the helicopter base.

"I believe that the settlement pattern will be the same, with minor adjustments obviously, in the years to come. But that also depends on whether the central authorities who are interested in that are still willing to use their resources to stay with a rather spread out settlement.

A Short But Important History

The history of oil in Norway is short. It began in north Norway in 1969 with seismic exploration. The area for test drilling was clearly indicated in the 70's, and no area in the world has ever had such thorough seismic study as the Norwegian shelf north of the 62nd parallel.

So far the search has taken place on Halten Bank, Traena Bank and Tromsoflaket. Depending on how the results of the dividing line negotiations with the Soviets turn out, the Norwegian shelf north of the 62nd parallel would be 7 to 10 times greater than the North Sea area.

The seismic investigation has given good knowledge of what the bottom looks like. The material tells the thickness of the rock layers on the sea bottom and identifies them. From this material accurate drilling sites are selected where the probability of finding oil and gas is greatest. It is the Norwegian state which has the exclusive right to undertake these investigations. The result is sold to the companies which will test drill in the different areas. It is important to emphasize that the presence of oil or gas can not be proved by seismic exploration. Only drilling can do that.

In the spring of 1979 the Storting decided to begin search drilling. Drilling began with three rigs in June 1980, two on Tromsoflaket and one on Halten Bank. The operators were the three Norwegian companies, Saga, Hydro and Statoil.

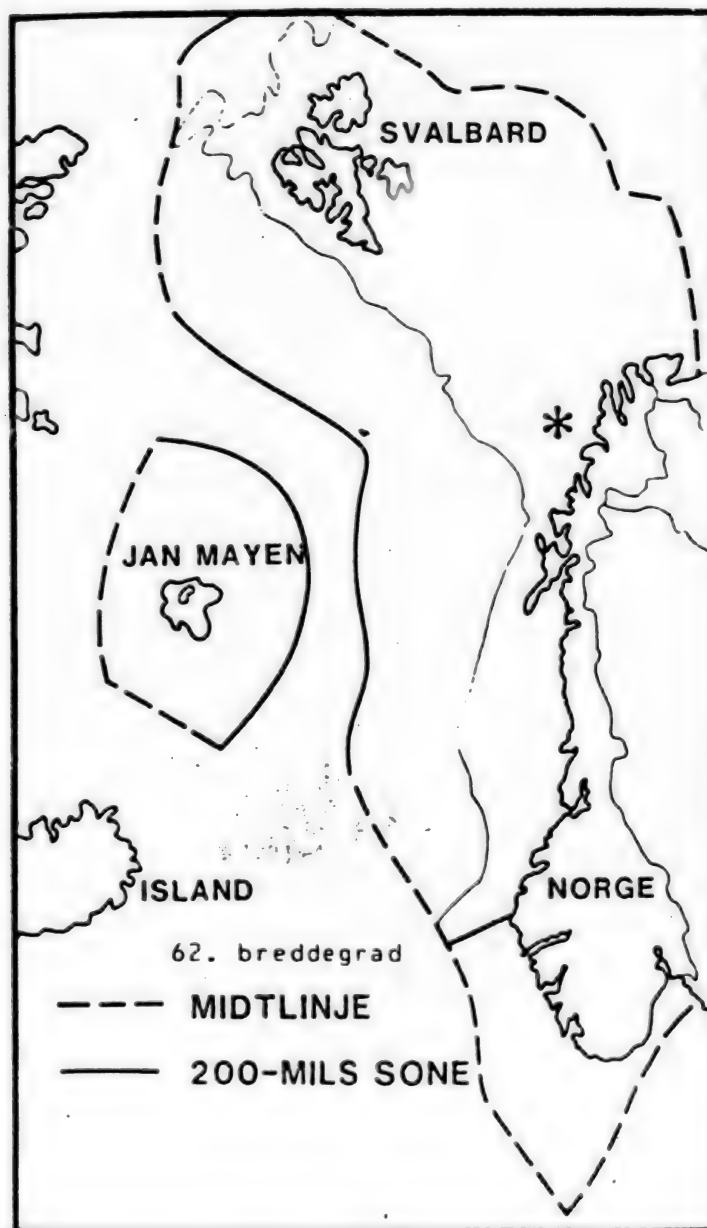
Neither technically nor weatherwise is there a special difference in search drilling north and south of the 62nd parallel, but at present the searching is done at lesser depths, 175-250 meters. In the North Sea the depth record is 375 meters.

Search drilling is conducted only during a 6-month season north of the 62nd parallel. The season will be extended so that search drilling can be conducted during the entire year in 2-3 years. The discussion on the length of the drilling season in the north has several important arguments related to fisheries and safety on the one side, and related to industrial development of the section and rational progress on the other side.

Both Norsk Hydro and Statoil have found gas on Tromsoflaket. Statoil made the largest find in the middle of August last year, when the newspapers could report that north Norway had taken a significant step into the oil age. Today it is estimated that 120 billion cubic meters of gas have been found. That is more than the amount of gas both on the Statfjord field and Ekofisk, and half the amount on Frigg.

But despite the large amount there has not been enough found on 7120/8 to be extracted alone. The amounts in north Norway must be extra great to be

good business. This is due primarily to large development costs and long transport to markets. Also it is expected that Tromsøflaket will be exhausted in our century, probably in the middle of the next decade.



Caption: Investigations indicate that there is the greatest possibility of finding gas in the eastern part, and oil in the western part of the northern continental shelf.

--- Sector Midline
— 200-Mile Zone

<u>Region</u>	<u>Area</u> (1000 km ²)	<u>Proved</u> <u>Reserves</u> (Billions of tons oil equiv.)	<u>Unproved</u> <u>Reserves</u> (Billions of tons oil equiv.)
South of Stadt	140	2.9	3.7
North of Stadt	1000	-	-
Gray zone	160	-	-

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CSO: 3108/137

ICELAND BUSINESS LEADERS VISIT GREENLAND

Godthaab GRONLANDSPOSTEN in Danish 14 Jul 82 p 16

[Text] Last week, business people from Iceland visited Nuuk to investigate the possibilities for cooperation.

A few weeks after the home rule referendum in 1979, Icelandic Ambassador Petur Thorsteinsson came to Nuuk to talk to the Greenlanders about the possibilities for cooperation between Greenland and Iceland. The ambassador returned after home rule had become a reality and had a number of talks with the government.

Last week, Nuuk was again visited by our neighbors from the East. Six people from the machinery branch of the fishing industry came on their own initiative and in their own airplane for a visit lasting a day and a half in order to explore the terrain. They were interested in a possible future export drive for machinery produced by Iceland.

Labor Savings

During a pleasant informal meeting at which the Icelanders served dried fish and mattrak, a new form of transporting fish crates was shown to the government chairman of business affairs, businessmen and people from GFI [expansion unknown]. The film was on videotape and showed how fish crates could be transported directly to the machinery. A fork lift picked up a stack of crates and then released two at a time from the bottom after which they were emptied by the machines.

Before this happens, the crates are turned so that all the water runs out. This saves a lot of costly labor.

Iceland is a producer of stockfish which are exported to the African countries, especially Nigeria. To reduce the volume of these products, people in Iceland have developed a compactor that has been put into production. It is somewhat expensive. It costs 75,000 Danish kroner. But on the other hand, the Icelandic machines are durable. Today Icelandic machinery is being exported to Canada in particular.

Education

The Icelandic business people do not expect to get anything out of this visit. But in the longer run some cooperation might get under way between the neighboring islands. Iceland is far ahead of Greenland with respect to fishing, sheep raising and tourism.

Iceland already plays a very important role in the educational sector in Greenland. Many young sheep breeders have had their training with farmers in Iceland and many Greenlanders have studied at the University of Iceland, among them government member Moses Olsen and mayor Henrik Lund from Qaqortoq.

Icelandic fishermen have fished off Greenland in the past. Today Iceland has no agreement with Greenland, but they hope for a direct agreement with Greenland in the years ahead.

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CSO: 3106/148

PRIME MINISTER TRIES TO CALM FEARS ON CREDITWORTHINESS

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jul 82 p 1

[Article by Solveig Rodsgaard]

[Text] Prime Minister Anker Jorgensen felt obliged last night to intervene in the stir that took place following Finance Committee chairman Henning Jensen's statement that it could be necessary to change the terms on already issued state bonds. The prime minister had remained quiet for quite a long time, even though Liberal leader Henning Christophersen, in a private letter to the prime minister earlier that day, asked him to straighten things out, because in Henning Christophersen's opinion, Finance Minister Knud Heinesen's statements on the state bonds were not firm enough.

The prime minister now says that Henning Jensen's statements had not even been considered or mentioned at any time by the government.

"In other words, we have no plans to change the high-interest state bonds. Of course we are prepared--as the state must be--to stand by the obligations we have incurred. The problems confronting us are great. But they must be solved in another way," the prime minister announced via RITZAUS BUREAU. He continued:

"Among other things, this must be accomplished through restraint in public spending. We must make sure that the deficit does not become too large and we must also restrain general income developments. These are the means and concrete things that will be used. We have not even mentioned the things Henning Jensen talked about at any time."

The prime minister said that there is no doubt that tax increases and savings will be needed in the fall.

After the prime minister refused recently to get involved in the debate about Tax Minister Mogens Lykketoft's statements on shorter work hours without wage compensation, the prime minister evidently considered the situation. Now he says that he has had similar thoughts himself several times.

"I have felt that we should consider whether the compensation, at least for some groups, would almost have to be paid out of the money used for unemployment compensation. This involves those on the labor market who are less fortunate and could not take such a sharp decline in real wages."

SOCIALIST GOVERNMENT LEADERSHIP DIVIDED ON ECONOMIC POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jul 82 Sec III p 2

[Article by Solveig Rodsgaard]

[Text] The Social Democratic leaders disagree on the policy and economic course to pursue in the fall when talks are scheduled to begin on the budget, with its record high deficits. That is why there is uncertainty about the overall government stand on Tax Minister Mogens Lykketoft's ideas about cutting work hours without wage compensation and that is why there is also uncertainty about the support for Finance Committee chairman Henning Jensen's statements that savings are needed in the public budgets and that they should be implemented in conjunction with the nonsocialist parties, since one cannot get anything done with SF [Socialist People's Party].

Social Democratic group chairman Ritt Bjerregaard has confirmed for BERLINGSKE TIDENDE that the ideas of both Mogens Lykketoft and Henning Jensen are being considered by the government. But she added that if savings are implemented with the help of the nonsocialist parties, they will have to behave differently than they have in the past. Political spokesman Mogens Camre said that if the SF economic theories are pursued, Denmark will end up in the poor house.

Ritt Bjerregaard said that the nonsocialist parties showed no interest in the spring in anything but the possibility of overthrowing the government.

"So if anything is to be done with them, they must have an entirely different and more realistic attitude toward discussing the problems without being so concerned with tactics. But I am not very optimistic with regard to the willingness of the nonsocialist parties to engage in more realistic talks."

The Social Democratic Folketing group will meet on 10 August to discuss the political situation, with the agenda for the discussion coming from the government.

Income Policy

Henning Jensen's remarks about public savings have been met with interest by the nonsocialist parties. Conservative Poul Schluter said that common sense seems to be proliferating among the Social Democrats at this time.

"Now we shall see if this also extends to the prime minister. That is the exciting question, coming at the end of a week in which ministers and other leading Social Democrats in East and West have spoken out, producing a flood of exciting and daring statements. It is correct of Henning Jensen to concede that it is totally impossible for the government to do anything effective about the economic problems as long as it has to drag SF and the Radical Liberals along with it and does not want to exist on any other basis."

Poul Schluter added that it is not enough just to talk about limiting public spending, however. A tight income policy and political stability are also needed.

Election Campaign

Liberal leader Henning Christophersen was glad that the Social Democrats now realize that their election campaign "which was directed against V [Liberals] and K [Conservatives] and was totally unjustified, was wrong. It is encouraging that Social Democrats are now using the word 'savings' for the first time since the election."

Henning Christophersen added, however, that the idea of savings is not something the Social Democrats can just "present to the nonsocialist parties with the expectation that the nonsocialists will pay something for it.

"Savings are something the government party must be more interested in than anything else. But it would be nice to know what the prime minister thinks. He cannot just act as if the debate among his ministers in the last few days is an interesting public discussion. Ministers speak on behalf of the government unless the head of the government announces that they are not doing so. And Anker Jorgensen has not done that."

Failure

Radical Liberal Jens Bilgrav-Nielsen was glad to hear Henning Jensen's remarks, but he also wanted public savings and tax reform to be combined with an income policy. He said the government should stop cooperating with SF and cooperate over the political middle instead.

"Unless the statements of recent weeks are borne out by concrete Social Democratic moves, it will be a failure on the part of the government. The government cannot allow its leading people to send out so many identical signals and then fumble the issue in the fall."

CD [Center-Democrats] and the Christian People's Party also expressed interest in the idea of public savings.

PAPER CRITICIZES JORGENSEN PLAN TO CUT HOURS, KEEP WAGES

Copenhagen BERLINGSKE TIDENDE in Danish 24 Jul 82 p 6

[Editorial: "The Wild Ideas"]

[Text] The prime minister has now also made his contribution to the summer economic policy debate among prominent Social Democrats. Thus Anker Jorgensen says that, like Mogens Lykketoft, he too has thought of cutting work hours without wage compensation as a means to combat unemployment. A few days ago, as we all know, the labor minister stated that the government had no such plans. Now he can read in the papers that the prime minister did have this in mind after all.

But the prime minister did have a variation on the theme of shorter work hours without compensation, namely that compensation would be paid in a transitional period to those at the bottom of the labor market. The money for this would come from anticipated savings on unemployment benefits.

Now the government has pushed through one clever or wild idea after another on the grounds that they would noticeably reduce unemployment. Thus there is talk of a reform in early retirement pensions, the job offer plan, an index reform and the job-creation project which goes into effect in November. They also have very real plans for a large-scale youth guarantee and a so-called land bank which are also supposed to guarantee employment.

It has been hard to see the beneficial effects of all these schemes, something union representatives have also allowed themselves to comment on. And now it is the turn of work hours. One proposal after another is now being presented, based on the purely hypothetical assumption that there is a certain amount of total work done in a number of hours by a given number of workers--so that one can just vary the work hours and thus change the number of employed workers.

There is reason to emphasize that these new hypothetical exercises have little in common with reality. Shortening work hours will not make it possible for many small firms to employ more people and in general it would create a lower utilization of the capital apparatus, resulting in

cost increases. In addition, a general reduction of work hours would create bottlenecks in many areas of production and would inspire business-like activities in leisure hours, moonlighting, and so forth.

If one then gives the lowest-paid workers compensation for the cut in their wages following a reduction of work hours, one could easily come into a situation where unemployment payments do not decline--because unemployment has not been substantially reduced--but where another large drain has been placed on the state treasury in the form of wage payments to large groups on the labor market. Thus the prime minister has come up with a bad idea once more. This demonstrates again his deplorable lack of understanding of the national economic facts.

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CSO: 3106/149

PAPER COMMENTS ON 'STATE FISCAL CRISIS' FROM BUDGET NEWS

Copenhagen BERLINGSKE TIDENDE in Danish 26 Jul 82 p 4

[Editorial: "The State Fiscal Crisis"]

[Text] The announcement of the anticipated deficit in the 1983 budget and Finance Committee chairman Henning Jensen's unfortunate statements on a change in the terms for state debts have sent shock waves through the Danish financial system. The amount of talk about state bankruptcy and the like had already made a lot of people, especially smaller investors, uncertain about state securities. When such a centrally placed person as the chairman of the Finance Committee then feeds the uncertainty, it is clear that it will spread, regardless of the quick denials made by the finance minister, the prime minister and others. The government can now only hope that the big buyers of state securities will not get cold feet too and that the financial institutes generally succeed in calming the public on the bond market.

But in addition to these quite immediate problems, it cannot be concealed that state financial developments involve serious problems for the Danish economy. The large and rising state deficit is helping to push long-term interest in particular sky-high, which will further interfere with business investments, especially housing construction, which as we know has already been hard hit economically.

In addition, interest payments on the national debt made in this country have become substantial. While 17 billion kroner is involved this year, the finance minister has disclosed that according to the budget proposal for 1983, this will grow to 31 billion kroner. Thus we are talking about state spending that far exceeds spending for unemployment compensation, for example. This colossal pumping out of funds from the national treasury must of course be covered by tax assessments, the issuing of state securities, etc. But the explosive increase in the figures puts increased pressure on an already overburdened tax system and the further growth in the issuing of state securities will guarantee a renewed dramatic increase in interest expenditures in subsequent years.

Of course the state's domestic interest expenditures will be offset by domestic income. But far from all this income will be taxed. It is well to note a situation that is unlikely to be changed decisively at present, even if the government does implement its tax reform plans. The result will therefore be a steadily mounting tax pressure on business assets and business conditions which will make private production even less profitable than it has been in the past.

The state fiscal crisis may be a smaller problem than the balance of payments deficit, foreign debt and unemployment. But the figures show that its effects will spread to increasingly larger sectors of the economy. This is a destructive development that should be checked by the government and Folketing.

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CSO: 3106/149

DEBT SERVICING BURDEN SOON 40 BILLION KRONER PER YEAR

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jul 82 Sec III p 2

[Article by Frank Dahlgaard]

[Text] It is no exaggeration to talk of an explosion in the state deficit and interest burden, financial people say.

In 1981, the state operating and investment deficit was a good 34 billion kroner and this year the deficit is expected to be over 51 billion. The 1983 budget proposal, according to reliable sources, will produce a state deficit of more than 70 billion kroner.

The explosive growth in the state deficit is causing a corresponding interest explosion, because the state must finance the deficits by borrowing (through the sale of state bonds and withdrawals from the National Bank).

In the table, BERLINGSKE TIDENDE has listed total state interest expenses in the period 1976-1982. The interest figures include interest on both domestic and foreign state debts and in addition to direct interest payments, the figures also include payment of the depreciation loss connected with borrowing. The 1983 figure of approximately 39 billion kroner in interest expenses was estimated by BERLINGSKE TIDENDE on the basis of available information concerning the state's net domestic and foreign loans.

As the table shows, it is estimated that the state's total interest expenses will grow from just under 24 billion kroner this year to around 39 billion next year. Interest on the domestic part of the state debt alone will grow from 17 billion kroner this year to a good 31 billion in 1983.

Table

The following table shows developments in the state's interest expenses on domestic and foreign debts. The source is Finance Ministry figures supplemented with our own estimates concerning the figure for 1983.

Table. Total State Interest Expenses
(in billions of kroner)

<u>Year</u>	<u>Amount</u>
1976	1.665
1977	3.462
1978	3.613
1979	9.440
1980	11.794
1981	18.271
1982	23.638
1983	39.000

Henning Jensen

It is against this gloomy background that Finance Committee chairman Henning Jensen (Social Democrat) sounded the alarm. In the Thursday edition of the newspaper INFORMATION, Henning Jensen said that the loan limit has been reached and that we risk coming under international administration unless we check the growth of the state deficit very quickly.

According to INFORMATION, the Finance Committee chairman also said that "he would not rule out the possibility that it might become necessary to change the terms for already issued state bonds, for example by changing short-term loans to long-term ones or by removing the real value of the bonds. That is what some people call state bankruptcy, but I think that is the wrong term," INFORMATION quotes him as saying.

Idiotic

Danish financial people are shaken by these statements which it is feared will hurt our international credit standing.

"Denmark cannot deal with its economic problems by evading the debt obligations the state has incurred," said the director of the Trade Bank, Bendt Hansen.

"It is an idiotic statement from any point of view and must be due to the summer heat or a heat stroke," said Professor G. Thorlund Jepsen, a financial expert.

"The banks really make a loyal effort to explain to people that they can rely on state bonds and therefore it is particularly unfortunate when politicians make statements like that," said bank director Bodil Nyboe Andersen of the Cooperative Bank.

"I guarantee that the state will live up to its commitments in every respect," said Finance Minister Knud Heinesen.

Misunderstood

"I have been misunderstood," Finance Committee chairman Henning Jensen told BERLINGSKE TIDENDE.

"It is very possible that I said what was printed in INFORMATION, but in any case I did not mean it. My message is that the deficit development is so alarming that we simply must intervene soon. If we do nothing and if there is no international upturn, growth in the state deficit will continue and then we could come into a situation where those who have warned against a 'state bankruptcy' could be proved right. But I do not think things will go that far. I have not imagined that anything would be done to change existing debt terms under any conditions."

But Henning Jensen also told BERLINGSKE TIDENDE that if the whole thing continues without interventions and if state deficits continue to rise, then in his opinion it could end in our having problems meeting our obligations to those who are financing the deficit.

State Bankruptcy

No reaction at all could be detected on the stock exchange yesterday to the doomsday talk by the Finance Committee chairman. On the contrary, there was a positive tendency in state securities, but this might be due to the fact that the reports did not reach the public until after the noon radio news broadcast. By then, trading had closed on the exchange.

A "state bankruptcy" means that the state quits meeting its interest and repayment commitments to its creditors. Most economic experts flatly deny that this possibility exists for Denmark.

"Problems do not arise until interest on state debts approach the same level as the national product, but interest levels today are only 10-15 percent of the national product, so there is no danger," said Professor G. Thorlund Jepsen of Aarhus University.

In the Abyss

The other risk suggested by the chairman of the Finance Committee is probably more likely: that Denmark will be placed under the administration of its foreign creditors.

This happened in the 1970's in the case of, among others, Portugal, Italy and [line or lines omitted] go to the International Monetary Fund in Washington and ask for loans, because the normal international lending sources called a halt. (In England's case, they could have continued to borrow from foreign banks but they voluntarily chose to turn to the Monetary Fund.)

In return for its loan assistance, the Monetary Fund in Washington requires the fulfillment of a number of conditions. Typically, this involves big public savings, the cancellation of cost-of-living regulation and currency devaluation.

In such a situation, in other words, the country's economic policy is run from outside and if the conditions are not met, the country risks the cutting off of loan funds by the Monetary Fund and if that happens, all other loan sources will react the same way.

In such a situation, the currency reserves of the country in question will quickly be exhausted and then there is not enough money to pay for such things as the importation of oil, raw materials, medicine and foodstuffs.

At that point, the country will have landed in the "abyss," which happened to Poland, for example.

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CSO: 3106/147

COUNTRY NEARING 'WORLD RECORD' FOR PUBLIC BUDGET DEFICIT

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jul 82 Sec III p 2

[Article by Frank Dahlgaard]

[Text] Denmark is headed for a world record when it comes to public budget deficits.

This is clearly apparent from the latest semiannual report from the OECD economists in Paris which was released at the beginning of this month.

The OECD report contains a direct comparison of the budget deficits of western countries in recent years. The deficit figures are not just restricted to the national deficit, but include deficits in municipal and social fund budgets as well. To correct for the different sizes of the various countries, the total budget deficit in the public sector is expressed as a percentage of the national product of the various countries.

The international economists in Paris anticipate that the public deficit for 1983 in Denmark will reach 9.2 percent of national product. Among the countries listed, only Italy is expected to have a larger 1983 deficit in its public finances, namely 12.6 percent of national product.

Table. 1983 Public Deficits in Percentage of GNP

<u>Country</u>	<u>Percentage</u>
England	1.9 %
Japan	2.1
Austria	2.1
Canada	3.0
France	3.0
West Germany	3.6
United States	4.0
Holland	4.2
Sweden	5.8
Denmark	9.2
Italy	12.6

The latest OECD semiannual report gives the above figures for 1983 public deficits in various countries, expressed as a percentage of their national products.

Depreciation Loss

The table shows the OECD figures for public budget deficits for 1983. However, the OECD economists noted that the Danish deficit estimate did not include expenses connected with payments on depreciation losses involved in the issuing of state bonds. This means that our 1983 deficit, including payments on these depreciation losses, will probably be over 10 percent of our 1983 national product.

The OECD figures show that growth in public budget deficits in Denmark has been especially rapid in recent years. In 1980, our public deficit was only 3.1 percent of national product, but in 1981 it had grown to 7.2 percent and in 1982 it was 8.6 percent.

The Paris economists directly cited Denmark (and Sweden) as countries where public finances are so out of balance that there is a great need for steps that will quickly check budget developments, regardless of the consequences for real wages, consumption and employment.

Increase

It is true of almost all the countries listed in the table that the budget deficits as a percentage of national product are expected to decline from 1982 to 1983. Only Canada and Denmark are expected to increase their deficits and in Denmark's case, this is an increase from a very high starting point.

OECD does not list a 1983 figure for Belgium, but the 1982 deficit is set at 11.6 percent of national product. There are no 1983 figures for Norway or Australia either, but 1981 and 1982 showed budget surpluses for these countries.

The latest government pronouncements about the 1983 budget proposal suggest strongly that the total public budget deficit in Denmark will be even larger than the OECD estimate. This means we are rapidly approaching a record position in the western world when it comes to public budget deficits.

Credit Rating

It is international statistics such as the OECD figures that help form the basis for Denmark's credit rating for borrowing money abroad.

When Denmark sets records in one area after another (unemployment, foreign debt, compensation payments, public growth), there is a risk that foreign

lenders will become concerned. When statements are made in this kind of situation by politicians (Finance Committee chairman Henning Jensen) that changes might be required in the terms for already issued state bonds, they will inevitably cause a stir in the international financial world.

Here it will be thought, quite logically, that if Danish politicians are capable of threatening not to meet loan obligations on domestic state loans, there could be a risk that this could also happen with regard to foreign state loans.

And that would shake Denmark's credit rating, for in this area it is confidence in the borrower that is all-important.

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CSO: 3106/147

OBSERVER ON DENMARK'S RECORD GROWTH IN PUBLIC CONSUMPTION

Copenhagen BERLINGSKE TIDENDE in Danish 22 Jul 82 Sec III p 1

[Commentary by Frank Dahlggaard]

[Text] In spite of all the efforts to save, public spending in Denmark is growing with a rapidity that is not surpassed by any other developed industrial nation.

This appears from the semiannual report on the economy of the western world which the OECD economists in Paris released at the beginning of this month. Oddly, this report was presented on TV and in part of the press as a positive sign for the development of the Danish economy, but there is no basis for saying so, to put it mildly.

The OECD economists estimate that growth in public consumption in Denmark was at a rate of 3.5 percent from 1981 to 1982 and will run at a 2.5 percent level from 1982 to 1983. In both years, these Danish growth percentages are not exceeded by any of the other 20 richest OECD nations. In the table, BERLINGSKE TIDENDE shows the OECD estimates of growth percentages for 1982-1983.

As the table shows, both the United States and Belgium are expected to have zero growth in public consumption spending in 1983, while Holland and Ireland will actually have declines.

The table does not include the four poorest OECD countries--Spain, Portugal, Greece and Turkey. It is estimated that Portugal and Turkey will have a public growth in 1983 of 5 and 6 percent respectively, but this is in relation to entirely different and lower levels of public services than we are accustomed to in Denmark, Northern Europe and North America.

When it comes to growth in private consumption, the OECD economists also anticipate a rise of 2.5 percent in Denmark in 1983. Here we are surpassed only by Australia, Austria, Japan and the United States and the big growth in Danish consumption will also have an impact on the balance of payments.

OECD estimates a 1983 deficit in Denmark of 18 billion kroner, amounting to 3.5 percent of national product. Aside from Australia, Ireland and New

Zealand, none of the other developed OECD lands is operating with such a relatively large exchange deficit as we are.

OECD sets economic growth in Denmark from 1982 to 1983 at 3.5 percent and this growth is exceeded only by Japan with 4 percent. However, as the table shows, a substantial part of this growth is occurring in the public sector.

Table: Growth in Public Consumption, 1982-1983

The latest OECD figures show that Denmark is at the top or close to the top of the list with regard to public and private consumption growth as well as with regard to the size of the exchange deficit.

<u>Country</u>	<u>Growth</u>
Denmark	2.5 %
Norway	2.5
Finland	2.5
France	2.5
Germany	2.0
Austria	2.0
Iceland	2.0
Canada	1.75
Italy	1.5
Switzerland	1.5
Japan	1.0
England	1.0
Australia	1.0
Sweden	1.0
Luxembourg	0.5
United States	0.0
Belgium	0.0
New Zealand	0.0
Holland	- 0.5
Ireland	- 1.0

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CSO: 3106/146

RISE IN SOCIAL BENEFITS OUTLAYS STILL EXCEEDS INCOME GROWTH

Copenhagen BERLINGSKE TIDENDE in Danish 21 Jul 82 p 3

[Article by Frank Dahlgaard]

[Text] From 1970 to 1980, total social outlays per inhabitant have increased by 75 percent in terms of fixed purchasing power and the growth has been constant throughout this period.

This appears from a new report on the growth of social spending which has just been released by the Danish Bureau of Statistics. The statistics thoroughly refute all the myths on social cuts and public savings in recent years.

From 1976 to 1980, there has been a real growth of 13 percent in total social benefits, in other words spending has increased 13 percent over the rate of inflation. The real growth in cash payments has been especially strong in this period, namely 20 percent. This is due among other things to the introduction of the early retirement system starting in 1979.

Social "payments in kind," e.g. provision of free services, such as institutional places for children and older people, on the other hand, had a real increase of only 4 percent since 1976.

Outlays for daily compensation during periods of illness have risen a good 12 percent in fixed prices during the 4-year period, while daily compensation benefits for childbirth have increased 3-4 percent in fixed prices. This latter figure should be seen in view of a strongly declining number of births in the period.

Spending for the administration of the many social arrangements has more than doubled in the 4-year period, and since inflation in the same period has been "only" 50 percent, this involves a large increase in real spending.

Outlays for pensions have grown a good 67 percent in these 4 years. This is partly due to the fact that more people are receiving pensions. In addition to this increase, early retirement benefits must be counted as a factor in the rise of social budgets.

In 1970, total social payments amounted to 19 percent of total domestic income. In 1980, social payments were up to almost 28 percent of total income, the new figures show.

Spending for Social Benefits, Corrected for Price Changes. 1976=100

<u>Total Spending for</u> <u>Social Benefits (in</u> <u>millions of kroner)</u>	<u>Index of Social</u> <u>Benefits Outlays</u> <u>(1976 = 100)</u>	<u>Spending Per</u> <u>Inhabitant</u> <u>(in kroner)</u>
38,000	62	7,709
41,927	68	8,448
45,553	74	9,125
47,957	78	9,549
52,542	86	10,415
58,597	96	11,580
61,298	100	12,083
62,248	102	12,234
65,045	106	12,744
68,155	111	13,319
69,327	113	13,527

The Danish Bureau of Statistics documents here that the many allegations of social cutbacks in the 1970's are not substantiated by the facts. Source: Statistical Reports.

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BRIEFS

SOVIET GOODS FOR DANISH SHIPS--Helsingor Shipyard has now declared its willingness to agree to receive Soviet goods worth between 150 and 200 million kroner if the assortment of products is expanded from consisting exclusively of hard to sell industrial products, such as various types of machinery, to include other goods, such as wood, cellulose and ammonia. This was disclosed by the economically hard-pressed shipyard's second in command, sales director Ulf Nielsen, in an announcement to RITZAUS BUREAU. The trade would occur to land an order for two ferry boats costing a total of between 750 million and 1 billion kroner. Helsingor Shipyard has just told the Russians that the shipyard can enter into a counter-purchase commitment if the selection of products is broadened. [Text] [Copenhagen INFORMATION in Danish 22 Jul 82 p 4] 6578

CSO: 3106/148

WAGE, PRICE FREEZE APPROVED: MAUROY EXPLAINS TO UNIONS

Specific Applications

Paris L'USINE NOUVELLE in French 24 Jun 82 p 39

[Article: "The Major Provisions of the Price Freeze"]

[Text] The Ministry of Finance will soon publish memoranda on the enforcement and explanation of the price freeze measures decided upon last 14 June. According to the texts published in the "Official Bulletin for Competition and Consumption" and the preliminary comments from the Rue de Rivoli, the freezing procedure will be applied to industry as follows until the above-mentioned memoranda are published.

--Products. All industrial products are affected except coal, iron and steel products, oil products used as energy sources (gasoline, premium gasoline, diesel, airplane fuel, jet fuel, lamp oil, oil and gas mixture, domestic fuel oil, heavy fuel oil, butane and propane) and fresh agricultural and fishing products.

--New products. Prices of new or modified products must be placed on file 1 month before they are applied. This filing will be done by a registered, return receipt letter sent to the Office for Competition and Consumption at the company's headquarters. This request must be accompanied by a file demonstrating the "innovative reality" or the nature of the change made to the product, as well as a breakdown of its price and its sale conditions.

--Prices. Each firm's net sales prices, inclusive of all taxes, which have been completely or partially paid, billed, or upon which a down payment has been made as of 11 June 1982, are frozen. New pricing systems which may have been published but not yet used cannot be applied.

--Imported products. Import and distribution margins of imported products that are sold "as is" are frozen. Products are considered "as is" if they have kept their individuality or original destination, even if, in France, they were subject to additional operations which did not affect their original characteristics. The import margin is the difference between the cost price (exclusive of value-added tax) and the sales price, inclusive of all taxes.

--Services. Prices for services, to individuals or businesses, are frozen, regardless of the nature or the legal status of the person performing the service or of his client.

--Price variation clauses. They are suspended if they call for price increases between 11 June and 31 October. This provision applies to all contracts; public or private.

--Verification. The text of the decree specifies that businesses must be able to justify "the level of their prices or their margins on 11 June 1982 upon the request of government representatives."

--Sanctions. Infractions ascertained through an official report will result in a settlement by disposition or, if the government believes it useful, it can continue proceedings in court. The amount of the settlement will be decided by taking into account the severity of the offense and the size of the firm. The sum cannot be less than 500 francs, but there is no upper limit; it could, therefore, reach several million francs. "The settlements can call for relinquishing the contested merchandise," it was indicated on the Rue de Rivoli.

Businessmen have a 20-day period for accepting the settlement and 30 days for paying. For the most serious infractions, the case will go directly to court without a chance for settlement. (Suggested penalties: fines up to 200,000 francs and up to 2 years imprisonment.) "Refusal to release documents or their concealment will definitely result in court proceedings," the administration specified. (Suggested penalties: fines up to 10,000 francs and up to 6 months imprisonment.)

Oil Products Excluded

Paris LE MONDE in French 16 Jun 82 p 42

[Article: "Price Freeze Decrees Are Published"]

[Text] The OFFICIAL BULLETIN OF THE BUREAU OF PRICES will publish 16 texts, including three general decrees freezing prices and, in some cases, margins.

The first decree concerns production and distribution prices, which are frozen in absolute values at their level of 11 June until the end of October. This freeze is exclusive of value-added tax. Importers' margins are also frozen.

The second general decree freezes the price of services, also in absolute value. The third decree suspends all clauses for revising and modifying prices on public and private markets.

The other, individual decrees cover marine products, fruits and vegetables (wholesalers' margins are frozen in relative value and retailers will be subject to a multiplying factor), milk, butter, eggs, meat products, ham, chicken, potatoes and wine.

In general, the freeze is very strict. The only exceptions are petroleum products, products covered by ECSC rules (steel, coal) and fresh agricultural and fishing products.

Mauroy Defines Freeze Further

Paris LES ECHOS in French 18 Jun 82 p 3

[Article: "The Freeze is Only a Temporary Measure"]

[Text] As an introduction to the meeting between labor and management, Pierre Mauroy outlined the state of the economy--"swelling of the foreign deficit and too slow a drop in our inflation rate"--and presented the new economic measure, which is not "a change in course" but a "modulation of our actions." The general idea is that "inflation must be rejected and not integrated into all our negotiating procedures as a natural fact."

Here are a few significant details given by the prime minister.

Price Freeze

The end of the freeze will be marked by negotiation with firms and businessmen and by regulatory agreements which can be signed even before 31 October. An average price increase standard of 3 percent for the second half of 1982 will be used as a reference for concluding these agreements.

This does not, therefore, mean a return to permanent price regulation. As soon as possible, the various sectors will return to the principles which guide the administration's price policy: freedom where there is effective competition and regulatory agreements where the competition is inexistent or inoperative. It is obvious that the sanction and monitoring methods will be maintained.

Therefore, there will not be a sudden end to this freeze. Negotiation with the various interested parties will allow us to start again gradually with a controlled inflation. This process will be modified according to individual situations and the commitments that can be made.

Income Freeze

The freeze of prices, commercial margins, fees for all professions and dividends distributed by firms will insure the effective participation of non-salaried workers in this large deflation operation.

As for salaries, increases will be frozen and the application of salary agreements and salary codicils to collective bargaining agreements will be suspended for 4 months. Only collective increases for June that were decided upon before 11 June will be authorized.

Those that were to become effective 1 July will be suspended, except the increase in the minimum wage which will take place in accord with the law.

Individual measures such as seniority clauses resulting from an agreement predating 11 June or salary increases for individual promotions will not be affected. However, collective measures by groups must be postponed until after 31 October.

"The freeze is a temporary measure" and the administration intends to maintain the average purchasing power of salaries.

After 31 October--Winning our bet assumes that the first condition will be met, but this entails a second: after 31 October we will look at salaries in a renewed framework.

In 1982, inflation should not surpass 10 percent. Therefore, salaries at the end of 1982 should not have increased any faster.

In 1983 inflation should not surpass 8 percent. Here again, salaries should not increase any faster.

We will have to play this winning hand both in the public and private sectors.

Controlling Public Finances

The national budget deficit for 1982 will be limited, as announced, to 3 percent of the gross domestic product. The deficit of the 1983 budget will also be limited to 3 percent of the GDP and will therefore be about 120 billion francs. A 20 billion franc reserve will be included in the 1983 appropriations bill.

Social System: Delay in Increasing Some Benefits

UNEDIC [National Union for Employment in Industry and Commerce]. I will very quickly have a meeting between labor and management on this subject. UNEDIC's financing plan should be balanced for 1982 and 1983. It will be decided upon 15 July, 1982 at the latest.

Social Security. At the cabinet meeting of 22 June the administration will decide upon the proper measures for insuring that Social Security is balanced in 1982. Cooperation with labor and management will emphasize measures which will allow Social Security to be balanced in 1983.

In order to be sure that the general Social Security fund will be balanced in 1982 without increasing premiums, it will be necessary to delay certain increases in benefits which should have become effective this summer.

The 35 Hour Goal for 1985 Will Be Kept

After mentioning the specific provision in force for fighting inflation (renewed investment, in particular), Mauroy spoke of the policy of reducing the workweek.

To have this full effect in this area, support for growth should be accompanied by a continuation of the reduction and restructuring of work time. The results of the law of 16 January 1982, of the 63 agreements signed at the national level and of the agreements concluded in the public sector are largely positive. We have crossed the 40-hour wall and we should continue in this direction.

The legal workweek will not be modified in the coming 18 months, but we must keep the goal of 35 hours for 1985. Every emphasis is now placed on negotiations, business agreements, pacts and solidarity contracts.

An Appeal

I will point out what we have always said: reducing and restructuring the workweek implies delicate arbitration for businesses and workers.

So that it will create jobs, reducing the workweek must in fact be accompanied by an increase in the length of time equipment is used, by an improvement in the services rendered to the public and by an attempt by everyone—employers and workers—to reduce the effects this will have on prices.

The current legal framework allows negotiations to be adapted for each firm. In addition, the minister of labor is going to try to revitalize contractual policy in the area of the workweek.

In conclusion, the head of the government made an appeal for understanding to labor and management.

In 4 months we are going to regain four inflation points. Thus, we are going to return to single-digit inflation and to price increases which will be 8 percent or even less.

The stakes deserve our joint action. This is what the government offers you.

Unions React

Paris LE ECHOS in French 18 Jun 82 p 24

[Article: "Labor and Management at the Matignon. Preliminary Reactions"]

[Text] Yvon Gattaz: VAT [value-added Tax]

On behalf of the CNPF [National Council of French Employers], Yvon Gattaz stated: "Our economy is in danger and we can only once more appeal to the civic spirit and effort of our business leaders. But we maintain our opposition to a price freeze which could only be harmful to the already fragile health of our firms, overburdened with crushing new financial responsibilities and with the permanent increases in their cost prices. We are liable to end up in an inefficient, bureaucratic planning system which is used by no country on earth to quash inflation."

In addition, the boss of the bosses firmly specified that businesses cannot assume the variation point in the value-added tax that the government wants them to take on. "This would no longer be a freeze but an authoritarian lowering of their prices that would compromise their financial balance," he stated.

CCPME [General Confederation of Small and Medium-Sized Businesses]: Useless Freeze

Rene Bernasconi, president of the CCPME, stated, "I left the meeting worried for business leaders. When it comes to knowing who should remedy inflation, everybody talks about business. Freezes have never given results."

Bernasconi also emphasized that labor and management arrived at the meeting while price decisions had already been decided on at BOSP [Official Bulletin of the Bureau of Prices]. In addition, he flared up at the impact of the value-added tax that the government wants businesses to pay. As for salaries, he stated that he was for maintaining worker participation in management.

CGC [General Confederation of Managerial Personnel]: Think It Over

For Jean Menu, sacrifices cannot be made without something in return. He stated he was in favor of sizable growth and a voluntary policy. As for salary freezes, he indicated that the CGC holds a position similar to that of other organizations. We have asked Mauroy to think things over.

CFDT [French Democratic Labor Confederation]: Lost Opportunity

Edmond Maire first denounced the impression that the government is giving of visual navigation. "Opportunities for discipline were lost. But we are not refusing to go along." The CFDT believes that the administration should reconsider before passing any legislation on salaries. The CFDT's leader proposed appealing to self-discipline in order to reach an agreement and to concrete possibilities "so that, for 1982 as a whole, there will be no loss in purchasing power for those making up to two times the minimum wage."

CFTC [French Confederation of Christian Workers]: Taking Advantage

"We told the administration that it is not possible to renege on the agreements which have been reached. We are sizing up the dangers of inflation and we ask that something be done regarding prices.... We ask that the agreements be kept. We do not want salaried employees to be the ones taken advantage of."

FO [Workers' Force]: Strong Reservations

"The Workers' Force has reservations about the salary freeze, not because we underestimate the necessity of fighting inflation...but because life cannot be put into an equation. We also fear the end of the salary freeze period. We ardently hope that the provisions of the 1950 law on collective bargaining are not suspended, even for a short period of time."

CGT's Krasucki Gives Position

Paris LES ECHOS in French 18 Jun 82 p 4

[Article by Jerome Faure: "The 41st CGT Congress, An Ambiguous Partner for the Government"]

[Text] The suspense--but was it really that?--that Henri Krasucki kept since Sunday evening regarding the administration's decisions ended yesterday when, only a few hours before the opening of the round table discussions between labor and management at the Matignon, he stated his organization's position. According to Henri Krasucki, this position is the synthesis of the discussions which were held during the last 3 days. It is also right in line with what the organization's future secretary-general--whose election should take place today--confided in connection with the Congress: "It is neither all white nor all black."

"We agree with the price freeze. We do not agree with the measures which affect the purchasing power of workers' salaries. This is not acceptable and it cannot be accepted." Although this acceptance and this refusal outline the CGT's position, they do not explain all the nuances (or you might even say ambiguities) of this position.

It is true, as Henri Krasucki later specified, that it is no longer the era "for plain policies" as was the case when the Right was in power, but for "more subtle proposals."

In fact, the head of the CGT has begun a difficult number as a tightrope walker whereby he wants both to satisfy a rank-and-file that is not ready to accept anything which, closely or distantly, echoes austerity, and to obey political necessities which oblige the CGT to refuse to break with the administration for a while. In short, Henri Krasucki plays this game very cleverly.

While reaffirming several times during his speech that the CGT is a partner of the administration, he brought up several warnings toward the latter in order to make them go back on their decisions. While mentioning the measures that could affect workers' purchasing power--"when most salaries are less than 5,000 francs per month"--Henri Krasucki commented: "To tamper with purchasing power is to commit a mistake at the social level; it is an economic error.... It is a political mistake because it would be to disappoint the bulk of those who put their hopes in the Left and who are its principal support."

Support from among the supports, the civil servants, whom Henri Krasucki defended brilliantly. "I would like to draw the government's attention to the danger of certain measures and to the comments against civil servants accompanying them, which cast them as scapegoats. This was the behavior of our joint adversaries."

Without saying so clearly, Henri Krasucki was thereby following in the footsteps of Louis Viannet, secretary general of the PTT [Post, Telephone,

Telecommunications] Federation and seemed to have decided to push for the implementation of the next salary increase for civil servants scheduled for 1 July. The same goal has been set for the increase scheduled for 1 September.

This is a twofold demand which, if you believe the government's provisions, has hardly any chance of being met. It will be a fight for authority that takes place between the government and the CGT, even if the union refuses to break with them. Because "we are at their disposal" Henri Krasucki stated again. And to prove it he has put forward a certain number of proposals.

First, against employers: "What is new in this method of severity, is that they are beginning to take resources from areas where they had never taken them. In particular, they have made the employers pay." Then in firms where, through the joint production committees, cooperation with the government is possible in order to monitor the establishment of prices. Henri Krasucki also has a tax proposal, since he is asking for a one-time "change tax" to be created "in order to face in the immediate future a series of financing problems."

Once the problem of maintaining purchasing power has been laid down, the CGT is ready to discuss anything, particularly the economic functioning of the society upon which it wants to act by obtaining even more powers through newly granted rights. It is not certain that the government will gain by this; businesses certainly will not.

PS, PCF Comment on Measures

Paris LE MONDE in French 22 Jun 82 p 8

[Article by Jean-Yves Lhomeau: "Concern and Doubt Even in the Ranks of the Majority"]

[Text] "We know where we are going and we know how to get there," stated Pierre Mauroy. "Let's go," replied in unison Communists, who had a national congress Saturday, and Socialists, who held a national convention Saturday and Sunday. Together they approved the economic measures decided upon by the government and called on the French to support them. "Go ahead without us," facetiously replied RPR's [Rally for the Republic] leaders. Its central committee, which met Saturday, believes that the Left's economic and social policy has already led the country to "monetary failure" and to the "budgetary downfall."

The reactions of both the one and the other were expected. The reactions of the RPR, which continues to hold out in unconditional opposition, are liable to become extreme. Chirac, who foresees an acute deterioration in the situation, will need to mobilize all the resources of his vocabulary in order to describe in the future the catastrophes he says he is waiting for. The stances of the PCF and the PS are more subtle than just the simple affirmation of complete agreement with the government's policy.

Communists and Socialists are worried about a salary freeze policy which to them presents the danger of jeopardizing the economic recovery policy followed by the Left since it came to power. Some Socialists also fear that the industrial price freeze will have the same result. Both emphasize the difficulty of effectively monitoring prices--they are appealing to workers to monitor the "waltz of the price tags"--as well as increases in non-salary income.

For the two major Leftist parties, the necessary strictness--a result of the "inheritance" left by the Right, of the ill will on the part of some employers and of the pressures of international capitalism--should not take place at the detriment of social justice. They hope that the administration will take advantage of the 4-month freeze to start or speed up changes or structural activities which they have been awaiting for 1 year or which are slow to produce results: the tax reform, reorientation of the banking sector, public investments changes in distribution circuits, industrial policy, and recapturing the domestic market. This listing alone shows that both the PCF and the PS, although they are not willing to say so publicly, thoroughly understand governmental responsibilities in the difficulties which the Left is facing.

In their public analyses, the PCF and the PS seem to be on the same wavelength. Since the local elections in March, the Socialists are fighting with the Communists over controlling the areas of the government's actions in order to show that they are defending the interests of the Left's voters. They have been able to do it more easily because, unlike the PC, they have not been subjected to the systematic suspicion of arguing and gaining advantages for electoral purposes. The proceedings of the national convention made their worries, and even their doubts and confusion, visible.

The PS: Strictness is Only Acceptable With Increased Solidarity

The debate on the "accompanying measures" of the devaluation of the franc, opened by Jean Poperen (LE MONDE, 20-21 June), continued on Saturday 19 June and Sunday 20 June at the PS national convention held in Cachan (Val-de-Marne).

Andra Laignel, deputy from Indre, questioned the necessity of freezing salaries, especially since monitoring non-salary income is difficult. According to him, the government should take advantage of the "4 months' grace" to begin "structural reforms": primarily taxes, distribution circuits, redirecting the banking sector, and adjusting interest rates.

Didier Motchane, national secretary, urged the administration "to make a turn to the left."

Louis Mermaz, president of the National Assembly, stated: "We must tell the country the truth: what is all right, what is better, what isn't all right, and under what conditions we can turn the situation around." With this in mind, Mermaz asked a series of questions: "Where are we with the recapture of the domestic market?... Where are we with investments" of the large industrial firms which the state has assisted? "What forces do we intend to mobilize to change the direction of the banks?" In addition, the president of

the National Assembly believes that freezing low and average salaries "poses a problem," while social inequalities "remain substantial" and the tax reform is only in its first stage.

Mauroy: The Government Does Not Barter, It Governs

Michel de la Fourniere, national secretary, illustrated the need for structural economic action by taking the example of foreign trade. The "chronic" deficit that France has experienced is a result of the inadequate competitiveness of our economy, he said. "If this does not change, devaluation will only have a short-term effect." In addition, he believes the salary freeze cannot be justified to workers if it is not accompanied by a tax reform.

The prime minister then spoke. After mentioning the Left's "already exceptional" results, he stated that his actions of the last year had been placed under the headings of "willingness, effectiveness, solidarity." "The time when France passively submitted to economic crisis and leaders were proud of 'managing the unpredictable' are finished," he said. Mauroy also emphasized the government's desire to continue the structural reforms already begun. "These reforms are not negotiable. Nobody should be imagining any kind of barter between workers' rights and the price freeze. We are not playing that game. The government does not barter, it governs." He pointed out that the files of 500,000 long-term unemployed workers will be examined.

Mauroy agreed on the need to "purge France of its excess inflation. This must be done by freezing the mechanisms which make inflation tend to become something natural, integrated into all our negotiating procedures," he said. "This is what we are doing by freezing prices and income for 4 months in order to begin contractual policy anew on a healthier basis. This is what we are doing by reexamining all the distribution circuits in order to determine the structural causes of French inflation and to eliminate them."

Mauroy said that he had sent a letter to labor and management on 19 June in which he "noted our unanimous agreement to fight inflation vigorously and swiftly." "As for prices and non-salary income, provisions of a legislative and regulatory nature have been or will be taken," he added. "For salaries, the government would rather not appeal to the law. But in that case all of labor and management must agree that no increase in remuneration will take place in the coming 4 months. The discussions on Thursday (17 June at Matignon) showed that this would be difficult. On Tuesday during the cabinet meeting, the government will evaluate and assess the need for presenting a bill to Parliament which will allow salaries to be frozen." Mauroy added that on Wednesday in the National Assembly, during the audit debate, he will confirm the government's desire to attack the structures of inflation.

Georges Sarré, deputy from Paris, is not sure that the 25 billion francs that will be used in 1983 for public investment are adequate for what is at stake economically. He believes it is "technically possible" to divorce French interest rates from foreign rates.

Marie-Noelle Lienemann, member of the executive board, remarked that there has been some "confusion" among the Socialists since the announcement of the recent government decisions and believes that a tax reform has become "imperative." She has reservations about the salary freeze.

In his closing speech, Lionel Jospin emphasized that the PS intends to take part in the ending of the salary and price freeze in 4 months. The first secretary of the PS is worried. "The fight against inflation should not lead to lowered consumption, which would be likely to affect our primary goal, fighting unemployment." Jospin insisted on the need for public investment and was surprised that an adequate effort had not been made for the building sector, "a creator of jobs and a minimal importer." He believes that "salaried workers and unions will know to take on their responsibilities" if the government continues its policy toward low salaries and if non-salary income (wholesale circuits, protected occupations, certain members of the legal profession, remuneration by percentage, commercial margins) is not subject to the same policy.¹

The final resolution unanimously adopted by the convention stated in particular: "[as published] would be a matter of [line missing] not changed and do not change." The convention approves the measures taken by the government. We believe that "the vast majority of salaried workers is undoubtedly ready" to accept the discipline of a salary freeze. But "discipline is acceptable only within increased solidarity and a strengthening of the battle against privileges. Moreover, there will be no question of delaying the implementation of the laws extending workers' rights. The PS asks the government to be particularly attentive when monitoring non-salary income." "It will not be a matter of granting new public assistance to firms unless employers are committed to investing or hiring," the resolution added.

The PC: It Is Possible to Maintain Purchasing Power

The national congress of the PCF, which met Saturday 19 June at Arcueil (Val-de-Marne) heard Madeleine Vincent's report on behalf of the political office.

Vincent emphasized "the completely unprecedented context" in which the municipal elections of March 1983 will be held. She summarized the policy followed by the Left and noted that "progress that has definitely been uneven but sometimes substantial has been made." After pointing out that the purchasing power of salaries "had not increased in the beginning of this year," that social inequalities had not "decreased significantly," that unemployment continues, as do imports, Vincent analyzed the causes of this situation which has made a second devaluation of the franc "inevitable": The "serious repercussions of the capitalist countries' economic crises on our economy," and the weight of "what was left by Giscard." She added, "The difficulties we are facing come primarily from large employers and the privileged. Not only are they not doing their duty for the national economy, but they often deliberately sabotage the attempts at social and economic progress that have been made."

Vincent pointed out that "the Right did everything to delay" the nationalizations and said that "a new management method has not really been implemented in the nationalized sector to date." She continued: "Democratization has not yet taken place and criteria for making decisions do not seem to have been changed. In particular, the domestic market has not been recaptured."

According to her, employers and the Right make up "a real front of revenge" with a goal of "using all the difficulties, when they don't cause them, to hamper the chosen policy, and of trying to thereby create the conditions for a return to power by the Right in order to go back to the disastrous policy of capital."

While mentioning the measures accompanying the devaluation, she stated: "We must effectively attack the domestic causes which brought about the devaluation: reduce inflation rates, and therefore financial profits, excessive income and the waste of capital; reduce the foreign debt, and therefore exports of massive capital and excessive imports due to abandoning the domestic market. It is on the basis of this overall approach that we will evaluate the measures that have been decreed and that we want to contribute to giving them full possibility for resolving the problems at hand."

"Therefore, an income and price freeze was decided. It must be understood that, because of the economic powers of the employers and the weakness or inexistence of the state's ability to monitor, an effective price freeze cannot be expected without establishing a serious, democratic price monitoring with tax measures to back it up. Similarly, freezing dividends and other capital income makes no sense unless accompanied by other policies which must be defined."

As for salaries, she agrees with the decision to increase the minimum wage and rules out any reduction in the purchasing power of low and average salaries, which would be liable to lower popular consumption. "It is possible," she explained, "in 1982 as in 1983, to maintain purchasing power within the framework of collective bargaining agreements and statutes."

An Appeal to Workers

"The government, like us, is hoping for a renewal of investments to support economic activity," added Vincent. "But two problems should be taken into consideration. First of all, this renewal cannot succeed if the consumption of workers decreases and if we once again insist on counting on the 'dynamism' of French employers. And then, the new public and private investments would give a push to inflation and imports if they were not primarily designed to recapture the domestic market and not to make a profit on the world market."

"The government plan would gain by being more specific and by being improved in order to reduce the costs of the waste of capital and to encourage more democratic and more efficient management of businesses and of credit," she stated. She suggested in particular that "all joint production committees and the new management boards in the public sector meet to examine how it is possible to produce more in order to recapture the domestic market," that

workers and joint production committees provide "extensive information of price increases which could occur in production and in distribution and which, because of this, would not adhere to the price freeze decreed at the national level," and that the government revise tax activity and credit policy. She explained, "Tax should be used to dissuade the wasting of capital such as outflows of capital, parasitic expenditures, unreinvested profits. It should be used to make a much greater reduction in social inequality, especially by taxing capital income and fortunes. At present, the management of credit is very inflationary. We think that credit should be used to a greater extent to finance national production and the development of useful activities, and should be used much less to finance speculative operations abroad."

On the situation of the Social Security system she made an appeal for "all interested parties to gather evidence" of the "wastefulness" in its operation and to act "to reduce corresponding expenditures" and hopes for a change in the system of social contributions.

At the press conference which followed the delegates' sessions, Philippe Herzog indicated that the Communists "are appealing to the workers to have a positive reaction to and to approve" the effort asked for by the government.

Effects on Industries

Paris L'USINE NOUVELLE in French 24 Jun 82 p 40

[Article: "Price Freeze, The Reaction of Industry"]

[Text] Although there has been little comment on the devaluation by industry, which was not surprised by the decision (there are many industrialists who talk about a "de facto devaluation"), the price freeze measures have provoked some violent reactions. L'USINE NOUVELLE has gathered opinions and comments before the inevitable negotiations began with the Ministry of the Economy, in particular with Claude Jouven, 42, who is leaving the administration of Sommer-Alibert to become director of competition and consumption.

Textile, Clothing: Unjust and Harmful

In textile and in clothing, the discontent is widespread, but varied. For textiles, especially for cotton, the combined effects of the devaluation and the price freeze are considered catastrophic, particularly for imported products. How will the costs of raw materials, which are subject to the laws of the international market, be passed on?

"The principle should be condemned and we do not accept it," stated the clothiers, "especially since we are not among those creating inflation." The severity of the market, resulting from both foreign and domestic competition, has caused clothing prices to increase no more than 9 percent per year, whereas, on the other hand, salaries have increased 22.5 percent.

Mechanical Industry: The Inevitable Repercussion of the Price of Steel

For the mechanical and metal processing industries, the situation is deemed "intolerable and unbelievable." Although their prices are frozen, those of their major suppliers, the iron and steel industry and iron dealers who provide them with steel, are not, since they are uniformly pegged to the ecu at a European level. On the average, steel accounts for 15 to 35 percent of the cost price in the mechanical industry. "From July 1981 to May 1982," emphasized Jacques Frelon, director of research and economic questions at FIMTM [Federation of Mechanical and Metal Processing Industries], member of the national price commission, "we have experienced a 50 percent increase. On 1 July a steel rate increase of 4 to 5 percent will take effect, and a 5 to 6 percent increase must be added to this for the devaluation of the franc in relation to the ecu."

Of the 10,000 mechanical businesses, those most affected are the ones which use the most steel: freecutting, punching, forging, drop forging, and bolt making. The mechanical industry is hardly more optimistic for its exports: although devaluation certainly improves the competitiveness of products, it is not enough to get ahead of the Germans, our major competitors. Equipment manufacturers share the advice of Jean-Paul Parayre, president of the Peugeot SA board: "We continue to lag farther behind the Germans."

Mechanical industry leaders, who have already suggested to Jacques Delors a system for recovering the increases in steel on the basis of their share in the cost prices, cannot imagine stopping there. For them it is less a question of preparing for the end of the freeze than of arranging the beginning.

Food and Agriculture: The Escapees and the Trapped

As soon as the price freeze decision was made known, Francis Lepatre, president of ANIA (National Association for Food and Agricultural Industries), sent a letter to Jacques Delors to draw his attention to the situation of the food industry. Although the transformed products which have an extensive EEC market organization (milk, butter, sugar, rice, olive oil, etc.) are not covered by the price freeze, the general rule applies to other products. However, at the beginning of the chain for agricultural and fishing products, there is no freeze.

Many firms are therefore going to find themselves trapped between frozen selling prices and increased supply costs. After the devaluation this is especially true for firms which use imported raw materials (coffee, cocoa, cassava, etc.), or for those which transform products whose harvest season is beginning (canned vegetables, fruit, jam, etc.). "We are ready to sign moderation agreements with the government, as long as we can pass the increase in the cost of supplies on to the sales price," stated Francis Lepatre.

Electrical and Electronic Industries: How to Emerge?

"How can investment be renewed when we have a stabilization plan which will cause cashflows to be reduced a little bit more?" Incomprehension has been

added to the perplexity of industrialists in electrical and electronic construction, who are reacting on the basis of their export activities. For Jean Claude Karpeles, general delegate of the Electrical and Electronic Material Industries Group, "The attempt at moderation undertaken by a large number of industrialists the last year is penalizing them today." The freeze is even more difficult to take because electrical construction emphasizes the increased cost of steel (20 to 40 percent of the cost price of a motor) and other imported raw materials.

Yves Moreau, general delegate of SPER (professional electronics) is not as direct. If the price revision formulas for the public market are frozen for 4 months, "which means we will have about 5 percent to make up," the devaluation could facilitate the export of equipment (50 percent of the turnover).

But the repercussions on the entire sector are what is feared most, especially by manufacturers of passive components (resistors, diodes, printed circuits).

Chemistry: A Vise Effect

Chemical firms are faced with two difficulties. Although their sales prices are frozen, those of electricity, natural gas and heavy fuel which they consume will undoubtedly increase in the beginning of July. This is a serious handicap. Secondly, the price of imported raw materials will increase because of the strong dollar. The price of naphtha, for petrochemistry, and of natural gas, the raw material used in the synthesis of ammonia, will not change, but phosphate and sulfur will be affected by the increase in the dollar as well as by that of various intermediary products which we import, especially from Germany and the United States.

At the same time, salary increases scheduled for 1 June for 3 months should limit the effects of the salary freeze. The French chemical industry, which was not in good shape, will therefore see its operating conditions deteriorate.

FOOTNOTES

1. The ministerial officers ["officers ministeriels": certain members of the legal profession] are midway between public service and the liberal professions [doctors, accountants, etc.]. They are appointed by the minister of justice to a limited number of offices. They are paid by the hour by their clients. This category includes bailiffs, notaries, appeals court attorneys, and attorneys at the supreme court of appeal and the administrative court.

9720

CSO: 3100/802

MAUROY SAYS PURCHASING POWER MUST DECREASE 3 PERCENT

Paris LES ECHOS in French 19 Jul 82 p 3

[Article by Pierre Locardel]

[Text] "The French must be made to understand that they will not escape a reduction in their purchasing power." We heard those astonishing words--which go beyond anything said by Raymond Barre--from the lips of an important official on the staff of a minister following the roundtable held with the social partners last Thursday by Pierre Mauroy.

Why that radical change in the official tone? How far should the living standard be reduced?

There is no need to spend a lot of time wondering about the reasons for the reversal. The results of 1 year of socialist management are there to see: a budget deficit exceeding 100 billion francs, the deficits in the social area (social security and UNEDIC [National Union for Employment in Commerce and Industry]) that are almost impossible to overcome, a negative balance of payments and a disturbing level of foreign debt, two devaluations, inflation, worsening unemployment, and a quite depressed level of activity.

The Socialists are discovering that the "voluntaristic and autonomous" economic policy advocated by them as "the" solution is inadequate for coping with the deep and lasting crisis affecting industrial societies. It is to the prime minister's credit that rather than persist on that path, he is making a 180-degree turn. He is energetically hitting the brake pedal.

That return to realism is reflected in another discovery. Government leaders are currently very concerned over the situation in the firms, and this is true not only of Jacques Delors and Michel Rocard. It is being admitted in those circles that the French are living beyond their means and that the gap thus created is hurting the production apparatus, which is unable to innovate, compete, invest, and hire. Hence the conviction that it is necessary to organize a transfer of household resources to the firms. To begin with--before the end of 1983--that transfer should be on the order of 3 percent of the aggregate income of households.

Why 3 percent? In analyzing the recently published national accounts for 1981, government experts realized that by forging ahead as before, they would be

flattening a great number of firms that had had the blood drained out of them, the simple reason being that it is the firms, not individuals, that have borne for 8 years the cost of levies from outside resulting from the two oil shocks and then the dollar "boom." Quite official and speaking very loudly, the figures are there.

All the firms have been weakened by those 8 years, and some are exhausted. Developments during that period of sharing national income show this very clearly.

Between 1959 and 1973, year in and year out, French households received some 79.5 percent of the national income, meaning by national income the total value of goods and services produced every year and distributed in the form of wages, profits, farm incomes, interest, and dividends (2,750 billion francs last year). Corporations got 6 percent of that and spent most of it to finance investments. The remainder (14.5 percent) went to the government.

In 1977, the share going to households rose from 79.5 to 84 percent, while the share received by the firms dropped from 6 to 3 percent. It was to correct that situation that Raymond Barre upheld the policy of simply "maintaining" purchasing power. He was partially successful in 1979, a year in which the firms got back up to 4 percent and households ebbed--so to speak--to the base of 82.7 percent.

In 1981, with the social policy of social distribution and the weakening of the franc against an overvalued dollar, the firms reached the worst economic situation they had known in 22 years: they received only 2 percent of the national income. And even that result was due exclusively to the financial institutions and insurance companies. If we exclude them, the share going to the firms proper had become negative--a situation unknown since the war.

Faced with the collapse, the government has chosen as its first objective--a modest one in itself--to get back to the situation in 1979: that is, to increase the share for the firms to 4 percent of national income. This means that 65 billion 1981 francs will have to be transferred from households to the firms. Those 65 billion francs represent 3 percent of the incomes collected by individuals (2,330 billion) in that year. They are also almost the equivalent of the gains in purchasing power recorded in 1980 and 1981 (3.5 percent), when national income was in a state of near stagnation.

To get back to the conditions of distribution existing between 1959 and 1973, it would be necessary to cut back the incomes of individuals by an average of 7 percent.

That is the cost of the operation of "de-indexing" wages.

It remains to be seen whether those concerned will accept that erosion of their incomes.

11798

CSO: 3100/853

BRIEFS

AID TO USINOR, SACILOR--An amount of 500 million francs divided equally between USINOR and SACILOR, the two nationalized iron and steel groups, will be allocated starting in 1983 to reviving the steel-producing basins in Lorraine, Nord-Pas-de-Calais, and Ardennes, according to an announcement by Henri Gevrey, prefect and commissioner for the Lorraine Region. Those industrial policy credits will be spread over 3 years, he explained. The prefect said: "The iron and steel groups will contribute to the development and strengthening of small and medium-size firms and participate in the effort to diversify industry and create new jobs in the basins affected by layoffs." [Text] [Paris LES ECHOS in French 15 Jul 82 p 7] 11798

ALSTHOM-ATLANTIQUE'S NEW SUBSIDIARY--An agreement has been signed giving the Alsthom-Atlantique Company a 51-percent interest in the Vibrachoc Company. The BNP [National Bank of Paris] and Lyons Credit Bank groups simultaneously purchased 24.5 percent each of the company's capital. With headquarters in Saint-Cloud, the Vibrachoc Company is the European leader and one of the world's top-ranking firms in shock absorbing and vibration damping techniques, acoustics, and visual displays. It is active in advance technology sectors and very especially in aeronautics, armaments, electronics, and nuclear power. [Text] [Paris LES ECHOS in French 19 Jul 82 p 4] 11798

CSO: 3100/853

SOVIET MINISTER ARRIVES TO SIGN PACT FOR CLOSER TRADE TIES

Foreign Affairs Committee Debates

Reykjavik MORGUNBLADID in Icelandic 29 Jun 82 p 48

[Excerpt] /Thorhallur Asgerisson, ministerial chief for the Ministry of Trade, and Haraldur Kroyer, Icelandic ambassador to Moscow, took part in a meeting of the Althing Foreign Affairs Committee yesterday. Discussed at the meeting was the conduct of the government with respect to the Agreement on Economic Cooperation to be signed this week with the Soviet Government. The ministerial chief presented a statement in support of economic cooperation to the meeting. It was signed by 10 individuals from companies and institutions. However, not all, to be sure, actually signed the document./
[in boldface]

It was decided at a meeting of the Foreign Affairs Committee on Friday to call the minister and ministerial chief of the Ministry of Trade to appear before the committee and report on the agreement and its contents. Tomas Arnason, minister of trade, was out of town and did not attend.

The document read by Thorhallur Asgeirsson was as follows:

"We the undersigned, having attended a meeting where the Draft of the Agreement on Economic Cooperation with the Soviet Union was discussed, find no obligations in the draft that would be a source of embarrassment for Iceland.

We feel that the draft of the agreement is very much in accord with agreements on economic cooperation which the Scandinavian countries and most Western European states have made with the Soviet Union and that there is no cause for concern.

We note that, according to the draft, Iceland is free to choose how long it will maintain relations with the Soviet Union in terms of this economic cooperation agreement.

It is our view that the proposed agreement will facilitate and strengthen Iceland's relationships with the Soviet Union and we are decidedly in favor of its enactment as it now stands.

MP Walks Out of Committee Meeting

Reykjavik MORGUNBLADID in Icelandic 29 Jun 82 p 5

[Text] /Albert Gudmundsson, member of the Althing, walked out of a meeting of the Althing Foreign Affairs Committee yesterday. Under discussion was the Draft of the Economic Cooperation Agreement with the Soviet Union. MORGUNBLADID has contacted Gudmundsson and asked him why he walked out of the meeting. Gudmundsson's answer is as follows:/ [in boldface]

"Last Friday there was a meeting of the Althing Foreign Affairs Committee on the Draft of the Economic Agreement with the Soviet Union. At the time I asked questions of the minister of foreign affairs and others. Among other things, I asked the minister why he had changed his views, something unusual for him. He had previously been against the draft agreement but had now abruptly become a supporter. No change had been made in the draft to justify such a change of position, in my view, and the minister of foreign affairs gave no explanation for his actions. He pointed out that similar agreements had been made by the Soviet Union with other Scandinavian countries, although that does not affect Iceland, to be sure. However, since he stressed these other agreements made by Scandinavian governments I asked for copies of the agreements for yesterday's meeting. I failed to receive them. A proposal was made at the meeting that leading exporters who have traded with the Soviet Union be called before the committee, but was voted down. However, it was decided that the minister of trade and ministerial chief of the Ministry of Trade, Thorhallur Asgeirsson, would appear before the committee yesterday and report on the draft of the agreement.

The minister of trade decided not to come. The ministerial chief, on the other hand, came and delivered a poor talk on the reasons why the agreement had to be signed and proposed to introduce a signed document from those parties whom the Foreign Affairs Committee did not see fit to admit to the meeting. When that happened I opposed the introduction of such a document since thereby the ministerial chief of the Ministry of Trade would be the spokesman for a pressure group. I consider it certain that those who signed the agreement have not seen the draft of the agreement since the draft has been classified by the Foreign Affairs Committee. For these reasons I stated that I would not be present at a meeting where such a document was presented saying, as I stood up, that it seemed amazing to me that the draft of the agreement was still classified and that I claimed full rights to publish the draft and discuss it publicly.

I cannot understand at all why Thorhallur Asgeirsson, ministerial chief of the Ministry of Trade, is pressuring us so much to have the agreement signed. The agreement seems innocent at first reading, but there are dangers in it which the Icelandic people must see and understand before the government comes to an agreement and signs it without having presented the agreement to the Althing. It is entirely clear, from what I have been able to learn and what was said at the meeting of the Foreign Affairs Committee, that the Ministry of Foreign Affairs has previously refused to support the signing of the agreement draft. But now the Icelandic ambassador in Moscow has been

called home to a meeting in the Ministry of Foreign Affairs and, in my view, pressure is being brought to bear. The Soviet ambassador to Iceland has met with Olafur Johannesson and doubtless there has been pressure from this quarter also. However, Olafur Johannesson, our minister of foreign affairs, will not explain the discussions. On account of this I think there is every reason for it to be known whether or not abnormal pressure is being exerted on Icelandic parties to sign an agreement that is, first and foremost, a propaganda document, and secondly includes in itself hidden dangers that must be heeded," said Albert Gudmundsson.

Soviet Wish-List Disclosed

Reykjavik MORGUNBLADID in Icelandic 30 Jun 82 p 32

[Text] /The Agreement on Economic Cooperation with the Soviet Union is still being kept secret. It was presented to the Foreign Affairs Committee of the Althing last Friday as a state secret. It was also decided to invite the minister of trade and the ministerial chief of the Ministry of Trade to a meeting of the Foreign Affairs Committee on Monday. In spite of the fact that the agreement has been classified by the Ministry of Trade and the Ministry of Foreign Affairs, a statement in support of the agreement was read at the Foreign Affairs Committee Meeting on Monday. The statement was signed by representatives on interest groups, institutions and corporations outside the Ministry of Foreign Affairs. According to an article on page 2 of today's issue of MORGUNBLADID, the Icelandic Central Bank has taken no position on the draft of the agreement, as might be concluded from the signature of a bank official on the statement. It is stated in the article that the signature reflects the personal views of the official./ [in boldface]

According to what MORGUNBLADID has been able to learn about the content of the Agreement on Economic Cooperation, there is discussion in it of the strengthening of such cooperation between Icelandic and Soviet "institutions and corporations." Nothing else is said as to how this cooperation will be achieved, although, on the other hand, there is discussion of the needs of institutions and corporations "for goods, equipment and raw materials."

As is well known, Iceland has sold the Soviet Union finished industrial goods and ocean products. The Agreement on Economic Cooperation does not apply to this trade, which is governed by the agreement of 1953 and protocols based upon it. It is unclear what "goods, equipment and raw materials" Icelandic institutions and corporations will be able to hand over to the Soviets based upon a general agreement on economic cooperation. On the other hand, the Soviets have a major interest in selling technical goods for development and also wish to send groups to Iceland to take these goods in hand, in the case of major development projects. Icelandic companies have not had a good experience with such purchases or with "cooperation" with the Soviets in connection with them. It is thought likely that the Soviets will, based upon the Agreement on Economic Cooperation, renew their quest for participation in major development projects and will demand preferential treatment if the agreement in question is signed.

It was announced on 10 December in MORGUNBLADID that a request from the Soviets lay before the Icelandic Government requesting permission to purchase the house at 55 Solvallaagata. As is known, the government rejected the request. It was reported in the same article that the Soviets wanted permission for experimental fishing in Icelandic waters and an agreement in aviation matters. MORGUNBLADID is unaware whether or not the Icelandic Government granted the request on that occasion. Be that as it may, the Soviets could, in the view of knowledgeable people, interpret the signing of the Agreement on Economic Cooperation in such a way that, for example, the Oceanic Research Institute or Flugleidir Inc. or Arnarflug Inc. could enter into agreements with Soviet parties on a new basis.

Last, but not least, the Soviets have made requests in the past both to gain a firm foothold for their fishing fleet in Reykjavik harbor and to create a large oil facility near Reykjavik.

More Details on Pact Document

Reykjavik MORGUNBLADID in Icelandic 1 Jul 82 p 48

[Text] /According to Article 5 of the Agreement on Economic Cooperation with the Soviet Union that is to be signed tomorrow the Soviets can demand, whenever they please, that representatives of Iceland appear in Moscow or Reykjavik to consult with them, discuss the carrying out of the agreement and make suggestions for its development. No equivalent article is to be found in the 1953 Trade and Payments Agreement between Iceland and the Soviet Union, in the 1961 Agreement on Cultural and Technical Cooperation and the 1977 Agreement on Informational and Technical Cooperation in the Area of Ocean Resources./ [in boldface]

Article 5 of the agreement is worded as follows: "Representatives, as parties to the agreement, are empowered to oversee the carrying out of the protocols, which are in force at a given time between the countries on mutual deliveries of goods, and likewise to compose and approve the appropriate proposals and measure in the area of trade between the two countries. They shall meet, whenever necessary, alternately in Reykjavik and Moscow, to see to the carrying out of this Agreement on Economic Cooperation and to make proposals on its development."

The Icelandic representatives named here will be appointed in terms of a protocol signed by Minister of Trade Tomas Arnason on 11 September 1980 in Moscow. By the terms of that protocol the Government of Iceland will appoint persons, according to the Agreement on Economic Cooperation, must be sent to meet the call of the Soviets and meet with them whenever they think necessary. These individuals named by the government are the very ones who signed the agreement supporting the Agreement on Economic Cooperation. It was stated by Thorvaldur Argeirsson, ministerial chief and member of the cabinet, at a meeting of the Althing Foreign Affairs Committee on Monday.

Paper Compares with Hitler Overture

Reykjavik MORGUNBLADID in Icelandic 30 Jun 82 p 6

[Editorial: "Their Great Hour?"]

[Text] One doesn't have to be an expert in the history of Icelandic politics in this century to know that the Progressives consider it to have been among the greatest hours in the history of the party and its leaders when Hermanns Jonasson, then prime minister, refused landing rights to the German airline Lufthansa shortly before World War II. The Progressives are proud of the fact that the then chief of their party withstood pressures from abroad and the encroachment of a foreign dictatorship that was desirous of expansion and wanted to gain a foothold in the North Atlantic. The Nazis were lavish in their relations with Iceland during those years to ensure that Icelanders had a great deal of connections with Germany. The Nazis put enormous effort into these trade connections to attain influence over the Icelandic Government and they also worked, among other things, to repress press criticism of German Nazis, as we know from history.

The Nazis used various devices to show their power and might to Iceland. Everyone knows about the opinion swings brought about by the claim that movements of German ships near Iceland around the time of the Lufthansa request for landing rights were intended to "soften" the opposition of Iceland. The Soviet Union is also a dictatorship which is likewise eager for expansion at this time, in Afghanistan for example, and it seeks a position in the North Atlantic. Iceland has some trade with the Soviets, as examples would show. On the other hand, we have hitherto resisted Soviet pressure with respect to improper subjects in trade discussions. But things have now changed. A group of employees of powerful corporations and institutions, led by the ministerial chief of the Ministry of Trade, have made a "positive" statement that a general economics agreement with the Soviet Union should be concluded since it will "enhance and strengthen Icelandic connections with the Soviet Union." The Soviets, it seems, are planning to use trade connections with Iceland to achieve their goals in other areas. Will it now be the fate of the minister of communications, Progressive Steingrímur Hermannsson, to permit the Soviet airline Aeroflot to fly to Iceland?

When one looks to the week that lies before us and to the signing of the Agreement on Economic Cooperation with the Soviet Union the following conclusions may be drawn: The agreement was made without the cognizance of the Althing. It was not at the initiative of the government that the foreign affairs committee of the Althing was called together to discuss the agreement. The initiative was rather from the committee chairman, Geir Hallgrímsson, chairman of the Independence Party. The Progressive ministers Tomas Arnason and Ólafur Jóhannesson said nothing about the matter in the government. Nothing was done about the natural request of Independence Party Althing delegates that the Althing be given an opportunity to discuss the agreement, its clauses, and the policy change that it represents. The Progressive ministers consider it more worthwhile to have the agreement signed while

the deputy minister of the Ministry of Foreign Trade of the USSR is here in Iceland, and to accord with his whims than to meet a positive request of Althing delegates that the agreement should receive its normal treatment in the Althing. The same week that political discussions of this matter have reached their high point, the Soviets have sent four research ships with over 300 men on board to Reykjavik Harbor. The Soviet ambassador in Reykjavik is aware of the opinion of the broad mass of Icelanders that there is something behind the movement of the ships since they are, in fact, part of the Soviet Navy.

One may well ask, when it comes time to look back over the political careers of Tomas Arnason and Olafur Johannesson and the event that is now to take place in the relations of the Soviet Union with Iceland: Was that their great hour?

Paper Discusses Opposition

Reykjavik MORGUNBLADID in Icelandic 1 Jul 82 p 4

[Editorial: "Althing Ignored"]

[Text] It is the duty of the minister of foreign affairs, Olafur Johannesson, to see to it that counsel is taken with the Althing in foreign affairs. All are in agreement that relations with the Soviet Union are a weighty matter. Last autumn the outcome of a discussion between Icelandic parties and Soviets in Moscow was that the Soviets requested an agreement on economic cooperation between Iceland and the Soviet Union, an agreement that is something entirely different from the Trade Agreement that has been in force since 1953. At the time of the meeting, autumn of 1981, the Icelandic agreement committee members, representatives of exporters and officials led by the ministerial chief of the Ministry of Trade, took upon themselves a task on behalf of the Soviets in Iceland, namely to obtain the approval of the agreement. The initiative was in the hands of the Ministry of Trade. Tomas Arnason, minister of trade, was at first reluctant to approve of the form of the agreement but rather wanted to discuss the policy change with the Icelandic Government. The Agreement could not become law without the approval of the minister of Foreign affairs, Olafur Johannesson. He said that he was against such an agreement but later changed his mind. On the other hand, the ministers said nothing at all about the agreement for the entire winter in Althing discussions. There was a special section on foreign trade in the Report of the Minister of Foreign Affairs on Foreign Affairs presented last March to the Althing. Nothing whatever is said there about the request of the Soviets for an agreement on economic cooperation nor is there anything else that would lead to the conclusion that the Ministry of Trade, the Ministry of Foreign Affairs or agents of Iceland had approved such an agreement in Moscow.

At the initiative of Geir Hallgrímsson, chairman of the foreign affairs committee, a meeting of the committee was called to inquire into the government's conduct in this matter. The minister of foreign affairs announced at the meeting that the agreement had been made and was to be signed the following week. The minister felt himself unable to provide explanations

as to the need for the agreement and it was agreed in discussions with him that the minister of foreign trade, Tomas Arnason, and Thorhallur Asgeirsson, the ministerial chief, would appear before the Foreign Affairs Committee. Tomas Arnason preferred to go fishing and did not attend the meeting of the Althing Foreign Affairs Committee. Thorhallur Asgeirsson, on the other hand, delivered a sermon to the Committee to the effect that those persons who took part in the discussions in Moscow last autumn drove a hard bargain and that they should be trusted when they presume to make an international agreement on Iceland's behalf. Thorhallur Asgeirsson expresses his astonishment in the press that the Foreign Affairs Committee should feel the need to discuss the matter and representatives of the Progressive Party, the People's Alliance and the People's Party second the words of the ministerial chief and state that officials and members of interest groups can also be fully empowered to make agreements with the Soviets.

The Independence Party members on the Foreign Affairs Committee have opposed this way of operating. Eyjolfur Konrad Jonsson found the actions of the government "amazing." Albert Gudmundsson walked out of the Foreign Affairs Committee meeting when the ministerial chief of the Ministry of Trade began to read the statement of those who participated in the meeting in Moscow. Gudmundsson thought it frightening that the agreement was signed without being presented to the Althing. Geir Hallgrimsson, moreover, said that it was to be expected that the Althing would be given a chance to discuss the articles and content of the agreement before its approval. The government ignored all these motions and there with the Althing itself and its dignity--in the government's view it is more worthwhile to accord with the whims of the Soviet deputy minister and to drink a toast to him in the Soviet Embassy at Tungata on Friday.

Pact Signed by Soviet Minister

Reykjavik MORGUNBLADID in Icelandic 2 Jul 82 p 32

[Text] /Manzhulo, deputy minister of foreign trade USSR, arrived in Iceland yesterday afternoon and this morning the Agreement on Economic Cooperation between Iceland and the Soviet Union was signed. It is stated in the introduction to the agreement that the governments of the two nations seek to "promote and augment the bilateral relations of Iceland and the Soviet Union on a firm foundation over the long term." At noon the signing of the agreement was noted with a champagne toast at the residence of the Soviet Ambassador in Tungata. The agreement will last for five years and thereafter until it is repudiated with six months' notice./ [in boldface]

Geir Hallgrimsson, chairman of the Independence Party, said in an interview with MORGUNBLADID today that a political policy change is embodied in the terms of the agreement. He said that he saw no cause for such a policy change at present, neither in terms of economics nor of trade. He also stated that in the opposition of Independence Party members to the agreement in the Althing Foreign Affairs Committee there is no opposition to real trade with the Soviets. Hallgrimsson said that the Althing had been kept outside the councils of those making the agreement, although it had been in the works for a year.

There is discussion in the economics agreement of economic cooperation to take place between the Icelandic and Soviet "institutions and corporations." There is no more information about the form that the cooperation will assume and, on the contrary, there is discussion of the needs of institutions and corporations for "goods, technical equipment and raw materials." Olafur Johnnesson, minister of foreign affairs, made known in a television interview on Wednesday evening that the Icelanders might, based upon the agreement, perhaps supply assistance to the Soviets with technical equipment for heating plants. From the Soviet side there have been proposals in years past for participation in Icelandic development projects and a Soviet company is involved with the Sigoldu Project.

It is stated in the agreement that a special committee shall see to its carrying out and that they should meet whenever necessary. Thus connection is made with a clause of a protocol that Tomas Arnason, minister of trade, signed in 1980 in Moscow as an addition to the Trade Agreement of 1953 of the two peoples.

9857

CSO: 3111/42

STORM OVER TRADE TREATY WITH USSR CONTINUES

Text of Treaty

Reykjavik MORGUNBLADID in Icelandic 3 Jul 82 p 23

[Text] /Following is the text of the Agreement between the Government of Iceland and the Soviet Union on Economic Cooperation signed yesterday in Reykjavik by Foreign Minister Olafur Johannesson and Deputy Minister of the Ministry of Foreign Trade USSR
A N Manzhulo:/ [in boldface]

The Government of the Republic of Iceland and the Government of the Soviet Union,

seeking, upon a basis of equality and mutual advantage, to promote the development of the economic cooperation of Iceland and the Soviet Union, including cooperation in the area of industry, science and technology, as covered by the agreement,

taking into account the provisions of the Covenant of 25 May 1927, the Trade and Payments Agreement between Iceland and the Soviet Union of 1 August 1953 as modified by the Protocol of 31 October 1975 and the Protocol of 11 September 1980 on mutual deliveries of goods by Iceland and the Soviet Union during the years 1981-1985, the Agreement between Iceland and the Soviet Union on Educational, Scientific and Technical Cooperation of 25 April 1961 and the Agreement between the Government of Iceland and the Government of the Soviet Union on Scientific and Technological Cooperation and Information Exchange in the Area of Ocean Products and Research on the Living Riches of the Ocean of 25 April 1977,

taking guidance from the provisions of the Accord on Security and Cooperation in Europe signed in Helsinki 1 August 1975,

well aware that the increase of economic cooperation will have a positive influence upon the development of trade between the two countries and upon the enhancement of its variety,

desiring to augment and increase multi-lateral cooperation of Iceland and the Soviet Union upon a firm basis and for the long-term,

have agreed upon the following:

Article 1

The parties to the agreement will work to increase economic cooperation between the concerned Icelandic institutions and corporations and Soviet institutions and will create conditions favoring the development of such cooperation upon a basis of equality and mutual benefit in accordance with laws in force and the regulations of each country.

Article 2

The parties to the agreement may declare, by mutual agreement, those domains in which they consider long-term cooperation desirable with respect to this agreement and shall in this area devote special concern to the character of each of their countries and needs for goods, technical equipment and raw materials.

Article 3

Distributions of wars and services pursuant to this agreement will take place according to agreements between individual Icelanders and legal parties, on the one side, and the Ministry of Foreign Trade USSR, on the other, upon the basis of long-term protocols on mutual exchanges of goods between the two countries.

Article 4

The parties to the agreement may, as they will, and in accordance with binding laws and regulations of each country, see to the creation and maintenance of trade connections between representatives of the concerned organizations of both countries with exchange of economic and trade information.

Article 5

Representatives, as parties to the agreement, are empowered to oversee the carrying out of the protocols which are in force at a given time between the countries on mutual deliveries of goods and likewise to compose and approve the appropriate proposals and measures in the area of trade between the two countries. They shall meet, whenever necessary, alternately in Reykjavik and Moscow, to see to the carrying out of the Agreement on Economic Cooperation and to make proposals for its development.

Article 6

This agreement will come into force with its signing and remain in force for 5 years.

When that time is past the agreement will remain in force until either of the two parties has renounced it in writing. The agreement will end 6 months after the date of such a renunciation.

Renunciation of this agreement will have no effect upon the validity of agreements made based upon it.

Done in Reykjavik 2 July 1982 in two copies, each in Icelandic and in Russian. The two texts will be equally binding.

On behalf of the Government of the Republic of Iceland:

Olafur Johannesson (signed)

On behalf of the Government of the Soviet Union:

A N Manxhulo (signed)

Controversial Clause Discussed

Reykjavik MORGUNBLADID in Icelandic 3 Jul 82 p 23

[Text] /It is stated in Article 5 of the Agreement on Economic Cooperation between Iceland and the Soviet Union signed yesterday that representatives of the two countries shall "meet, whenever necessary, alternately in Reykjavik and Moscow, to see to the carrying out of the Agreement on Economic Cooperation and to make proposals on its development." This statement has been interpreted to mean that either party can, without notice, require the other to enter into discussions on matters agreed upon./ [in boldface]

As is clear from an article in yesterday's MORGUNBLADID Thorhallur Asgeirsson, ministerial chief, thinks that there is nothing new here. The phrase is supposed to have occurred in an agreement made by the government of Gier Halgrimsson with the Soviet Union in 1975. A similar statement is said to be found in the Agreement of Iceland with the European Economic Union, in the Agreement with Poland of 1975 and with Czechoslovakia in 1977, or so it states in the article.

MORGUNBLADID has looked at the agreements in question and examined the statements in them. It turns out that there was no agreement with Czechoslovakia published in the Section of the Government Gazette of 1977, so that its contents cannot be examined.

It is stated in Article 32 of Part Two of the Agreement with Iceland with the European Economic Community of 5 March 1973 that a joint committee of the parties shall meet not less than once a year. Later it states: "The committee shall meet in special session, whenever there is a special need, at the request of one party in accordance with the provisions of the operating rules of the committee." This wording is changed in the new agreement with the Soviets since provision is made for the parties to establish operating rules behind the agreement itself that specify under what circumstances and presumably for what reason a special session can be requested in the above agreement.

The 1975 Agreement with Poland is entitled Trade and Payments Agreement. It was signed on 30 April 1975 and replaced an agreement of 12 September 1969. According to the provisions of the agreement it was valid until 31 December 1980.

The agreement was only published in English in the Government Gazette, so that Article 5 on conferences is not available in a public Icelandic translation. It is stated in Article 5 that a joint committee of the parties shall meet yearly in Poland or Iceland and also that meetings shall take place at the request of one of the two governments at the time and place that has been agreed upon at a given time. The wording of this agreement is not so unconditional as in the new Economic Cooperation Agreement with the Soviet Union.

With regard to the "agreement" of 1975 with the Soviets, what is meant is a protocol to the Trade Agreement of Iceland and the Soviet Union of 1953. This was a similar agreement to that signed by Tomas Arnason on 1 September 1980. Comparison of such protocols with those of earlier years shows that it was first through the protocol signed 2 November 1971 and published 8 November 1971, bearing the signature of Einar Agustsson, minister of foreign affairs during the government of Olagur Johannesson, that the statement that representatives of the governments should meet "whenever the need arises" first entered into the protocols on trade relations. Ludvik Josepsson was then minister of trade. Based upon these protocols the representatives of Iceland and the Soviet Union have hitherto discussed trading matters in their meetings. According to the new agreement signed yesterday the economic cooperation of the two countries will be discussed "whenever necessary."

Soviets To Increase Fish Purchases

Reykjavik MORGUNBLADID in Icelandic 3 Jul 82 p 2

[Text] /During the trade talks that have been held over the last few days in Reykjavik, the Icelanders have put the greatest emphasis on having the Russians buy more frozen fish in Iceland. An agreement on the purchase of salt herring is also being sought. The Soviet delegation has promised to give serious consideration to the possibility of sanctioning further frozen fish purchases in the near future. So states a news release from the Ministry of Foreign Trade. Nothing is said there as to whether or not the agreement on salt herring was concluded./
[in boldface]

"During the last few days trade negotiations have been held in Reykjavik with the Soviet Union on carrying out the Icelandic and Soviet Trade Agreement. The agreement is valid for 5 years, from 1981-1985. Both parties agreed in the discussions that trade had, by and large, gone well since the agreement was made. Exports of salt herring to the Soviet Union have increased threefold and exports of frozen fish, especially frozen red fish varieties, have grown twofold over recent years. Sales of lagment have also increased, although the quota set in the Trade Agreement has not been met. We have been unable to sell as many woolens or as much paint as foreseen in the agreement.

Imports of Soviet goods have not changed much from what they were before. Petroleum goods constitute 90 percent of the import value.

Due to increased sales of salt herring and frozen fish, the trade deficit with the Soviet Union has been decreasing. During 1981, goods valued at around 400 million krona were exported to the Soviet Union and 600 million krona worth of goods were imported. The share of the Soviet Union in Icelandic foreign trade in 1981 was 6.2 percent of exports and 8.0 percent of imports. These figures have been much higher.

In the trade discussions, the Icelandic delegation lay the most emphasis on having the Soviets purchase more frozen fish in the second half of this year and making an agreement for the purchase of salt herring. Some 17,500 tons of frozen fish have been sold to the Soviet Union and most has already been delivered. That is a larger sale than foreseen in the trade agreement. For that reason it will be difficult to obtain agreement for a larger quantity. The Soviet delegation promised to give careful consideration when they returned home to the possibility of allowing further purchases of frozen fish in the near future.

The Agreement of Economic Cooperation was not under discussion at the present meeting of the delegations. They discussed the draft of the agreement in September 1981 in Moscow.

The Icelandic delegation was headed by Ministerial Chief Thorhallur Asgeirsson and the Soviet delegation by Deputy Minister of Foreign Trade A N Manzhulo. His deputy was V I Simakov, chief of the Administration for Trade with Western Countries of the Ministry of Foreign Trade USSR."

Soviets Ask Air Transport Treaty

Reykjavik MORGUNBLADID in Icelandic 4 Jul 82 p 2

[Text] /Since 1972, the Soviets have been exploring through informal talks with Icelandic parties the possibility of a basis for discussion between Iceland and the Soviet Union for an air transport treaty. This news was published yesterday by TIMAN. The paper also reports that Steingrímur Hermannsson, minister of communications, held discussions during his recent trip to Moscow on possible air connections between Iceland and the Soviet Union. These talks took place at the request of the minister of civil aviation of the USSR./ [in boldface]

The reasons why the Soviets want air connections with Iceland are the same and the recently concluded Agreement on Economic Cooperation is now used as a justification. The justice of the request has been recognized by Minister of Trade Tomas Arnason and Foreign Minister Olafur Johannesson, who note that the Soviet Union now has air connections with almost all the European countries, excepting Iceland.

The TIMAN news report says that Steingrímur Hermannsson has discussed the matter with representatives of Flugleidir, which is opposed to having the Soviet airline, Aeroflot, receive landing rights in Iceland since this might reduce the passenger volume of Flugleidir Inc. It appears that this was the reason why Steingrímur Hermannsson considered that there was no basis for air connections between Iceland and the Soviet Union.

There is discussion in the newly concluded Agreement on Economic Cooperation between Iceland and the Soviet Union of cooperation between Icelandic and Soviet "institutions and corporations." Persons knowledgeable in this area think that the Soviets will now advance their request for air connections on this new basis and are thinking in terms of cooperation between Aeroflot and Flugleidir Inc., or Arnarflug Inc. The Soviet Government sees advantage in air connections with Iceland, although no regular service to Iceland is planned as things stand now.

Independence MP's Attack Treaty

Reykjavik MORGUNBLADID in Icelandic 7 Jul 82 p 32

[Text] /The Independence Party Althing Delegation released a statement yesterday on the Economic Cooperation Agreement with the Soviet Union and said in the statement that the agreement was made in the face of 'dishonorable pressure and that it embodies a policy change. It is culpable to have gone behind the backs of the Althing with the agreement.'" Thus the party statement./ [in boldface]

The working of the statement is as follows:

"The Althing Delegation of the Independence Party expresses its opposition to the government's Agreement on Economic Cooperation with the Soviet Union among other things because the government takes guidance from the provisions of the Helsinki Accord.

The Althing Delegation esteems the natural advantage of the trade with the Soviet Union and thinks that the agreements in force between the two countries serve well in this area. This has been and remains the policy of the Icelandic Government.

The agreement was made under dishonorable pressure and embodies a policy change. It is culpable to have gone behind the backs of the Althing in making the agreement."

9857

CSO: 3111/44

LABOR PARTY ORGAN BLAMES WORSENING ECONOMY ON WILLOCH

Oslo ARBEIDERBLADET in Norwegian 12 Jul 82 p 4

[Editorial: "The Economy--Before and Now"]

[Text] Before the election the Conservatives, with Prime Minister Kare Willoch in front, sketched a picture of Norway as a society in crisis. In all areas, so to speak, the Labor Party's policies meant bankruptcy. Either in the public health service, communication, municipal finances, business activity or education, it was all equally perverse.

But even that was not enough for the Conservative political leadership. After the party came into power and obtained more insight into things, they found, according to their own testimony, that conditions were even worse than they knew before. It was especially dramatized that oil income had fallen in relation to expectations. Even though it is not wise, or necessary, to judge oil income in the short term, this was utilized as a last resort to give a kind of basis for the constricting actions that the government has put into effect, and is planning further. Now the prognoses for oil income have improved considerably in recent months, without causing a government explanation that everything now looks better. Willoch, Benkow, Presthus and Norvik continue to say no, as if the first job is to straighten up the economic chaos left by the Labor Party before the Conservatives can seriously get to the task of restoring growth to the Norwegian economy.

The Labor Party has no reason to be ashamed about the house which was turned over to Willoch and his crew after the change of government last fall.

The economic policy which was followed during the Labor Party's last governing period was well suited to the country's situation. As a people we avoided many of the problems and difficulties which other Western nations confronted during this period. First of all was employment. While other countries experienced mass unemployment, we in our country managed to maintain full employment in this difficult period. And not only that. During the 1970's the number of employed in Norway increased by 250,000 persons. This was important for the opportunities it gave women to get jobs.

Other factors which show the condition of the economy which the Labor Party turned over to the Conservative government, are strong growth in the gross national product, a large surplus in foreign trade, improved competitive ability and price increases which, apart from 1981, have been somewhat less in Norway than in the OECD area. There is also reason to emphasize that economic growth in Norway has not given advantages only to small and privileged groups. A policy has been followed which has ensured a more even division of income and living standard than in any other country.

The Conservative government took over a strong economy, in reality one of the strongest economies in existence. We believe that both in the governing apparatus and in the Conservative Party they should stop harping on the "unsuccessful policies" of the Labor Party. The assertion is just not true.

In connection with the national budget of this fall, the Labor Party will present an alternative budget, which builds on the principles and programs of the party, and which aims to protect and develop the Norwegian welfare society. It is not a question of an overbid budget, but a realistic proposal which fits the Norwegian economy.

We still do not know what is contained in the Willoch government's proposed budget. But the signals which have come out do not sound good. At the same time as significant tax reductions are being promised (or "real tax reductions" which are the last hope that the prime minister is clinging to) the common good will be downgraded. Welfare issues will be reduced or disappear. The result of the whole exercise will most probably be increased unemployment. We agree with those who have predicted that such economic behavior will take us into a harder society.

The Conservative government is a minority government. Unfortunately, says AFTENPOSTEN. Fortunately, we say. We will continue to hope that the real cross-political majority which has always been against Conservative Party economic policy in the Storting, will also express itself when the first entirely Conservative budget comes up for discussion.

9287

CSO: 3108/137

ICELAND, FAEROES PEACE COMMITTEE MEMBERS ASK TO JOIN 'ZONE'

Copenhagen INFORMATION in Danish 21 Jul 82 p 4

[Article by Atli Gislason and Sigrun Bjornsdottir]

[Text] Atli Gislason is a jurist and Sigrun Bjornsdottir is studying to be a social worker. They are members of the Icelandic and Faroe Islands Student Peace Committees.

On 15 April 1982 a preliminary study was released by the Norwegian peace movement, No to Nuclear Weapons, which contained their views and arguments concerning a Nordic nuclear-free zone. INFORMATION recently gave a report of the main points of the preliminary study.

The preliminary study includes well-known views that the Faeroes, Iceland and Greenland should not be part of the demand for the zone in the first round. It is felt that the establishment of a Nordic zone that included these areas would lead to extra problems due to the geographic and strategic conditions and the "special ties" to the United States. A more precise explanation is lacking. In addition to these arguments, which we believe to be incorrect, the preliminary study is marked by ignorance of the political and strategic status of the North Atlantic community and of the importance of the Nordic region in the arms build-up by the United States and NATO.

Denmark, Norway, the Faeroes, Iceland, Greenland and Scotland constitute a direct strategic-geographic entity for the United States and NATO. The North Atlantic is a so-called advanced assault-defense area for the United States and NATO. The NATO countries are placing great emphasis on building up in the North Atlantic a network of nuclear-powered submarines that are equipped with Polaris missiles, among other things, and function as mobile launching ramps. Each submarine has nuclear explosives that could destroy all the largest cities in Europe and elsewhere.

As an example of this development, one can point to the recent disclosure by the British in connection with the Falklands crisis that they were in the process of restructuring the fleet. They will phase out most of their

surface ships and invest in nuclear-powered submarines armed with Polaris missiles.

Along with the build-up of a nuclear submarine network in the North Atlantic, the radar, listening and Loran-C systems in Greenland, Iceland, the Faeroes, Norway and Scotland will be built up and expanded. Without these stations, the submarines cannot function in a war situation. They locate the assault targets and guide the missiles to them. These stations would undoubtedly be the first targets in the event of a nuclear war between the superpowers.

Nuclear Weapons in Greenland

Under an agreement between Denmark and the United States, the Thule base and the base at Sonder Stromfjord were established in Greenland in 1951. This was a result of the NATO agreement from 1949. Neither central nor local Greenland authorities were oriented concerning the future of the area. The local population was forced to move and since the agreement had already been signed, protests were to no avail.

Under the agreement, there must be no nuclear weapons in the area. But the facts are different. The United States acts as it sees fit. It is known that in 1968 an American B-52 bomber crashed near the base. The airplane was loaded with four hydrogen bombs and after the crash the area was polluted with plutonium.

In 1960, a military scientific research station--Camp Century--was completed under the inland ice cap. It was equipped with a nuclear power plant. The research station was shut down in 1963, but before that there had been a leak in the reactor system, leading to radioactive pollution of approximately 4,000 tons of inland ice. We know that the ice is moving and it is an open question where it will eventually end up.

The primary function of the Thule base is to operate a radar complex, they tell us. But in the rising tension between East and West, Greenland with its central strategic role would undoubtedly be an area in which armaments would be increased. An arms build-up involving nuclear weapons cannot be ruled out.

NATO, Iceland and the Faeroes

On 30 March 1949, Iceland became a NATO member. This decision was made without allowing the people to take a stand on membership through a referendum, despite broad popular opposition. In the wake of the NATO membership followed an American military occupation. Since then, 30 March has been an unofficial day of opposition to the American bases in Iceland and to NATO. Today there are two military bases on Iceland. In addition, a Loran-C radar and listening station is operated there by the American military forces. Opponents to the American bases on Iceland claim that the bases house all the equipment needed for the storage and use of nuclear

weapons, but there is disagreement concerning the extent to which nuclear weapons are stored permanently at the bases. The Icelandic foreign minister has denied that this is done, but his American counterpart has never done so.

This story was repeated on the Faeroe Islands. All the decisions were made above the heads of the local population. And all protests were ignored. The popular resistance is overlooked--even when it comes out in the legislative body, the Lagting. On various occasions, most recently in 1970, the Faeroese Lagting has demanded the removal of all military installations from the islands with the Faeroes being kept outside all military alliances, but this has not led to any results. Thus, military policy on the Faeroes has been turned over to NATO by the Danish state, despite the home rule arrangement on the Faeroes.

In the early 1960's, a radar station was built on the Faeroes at Stroy moy as a part of the NATO Distant Early Warning System. The original task of the station was to note bomber planes from the Warsaw Pact lands. But even while it was being set up, it was clear that the station was outmoded because it could not detect missiles. For this reason, construction was immediately started of another radar network: NADGE, the NATO Air Defense Ground Environment system, in which the station in the Faeroes is a part. The task of the NADGE radar is to detect airplanes and in the event of conflict to be a kind of leader for the fighters that might be sent up from nearby air bases.

Another important part of the NATO assault strategy is the Loran-C system. In the Faeroes, there is a Loran-C station in Eide which comes directly under the American Coast Guard. This station is a main center for a number of other Loran-C stations, namely the one in the Jan Mayen (Norwegian) area, and those at Angessoq (Greenland), Hellusandi (Iceland), Bo (Norway) and Sild (Northern Germany).

Arguments Untenable

Norway has exactly the same strategic installations that exist in Greenland, Iceland and the Faeroes and Norway plays exactly the same geographic and strategic role, making up along with these areas an entity as an assault-defense zone. And Norway, like the North Atlantic island community, is a member of NATO and as such has close ties with the United States. Because Norway has its own army, there are no American bases in Norway, but Norway has taken on NATO tasks that can be equated with those of a NATO or American base. Among other things, Norway stockpiles large weapons depots for the United States and NATO.

With reference to these facts, the basis for the arguments by the Norwegian No to Nuclear Weapons group is untenable with regard to the exclusion of Greenland, Iceland and the Faeroes from the initial phase of the Nordic nuclear-free zone. One could use the same arguments to exclude both Norway and Denmark. The price for making part of the Nordic region (Norway,

Sweden, Finland and Denmark) nuclear-free is the placement of nuclear weapons on the Faeroes, Iceland and Greenland and in the adjacent ocean areas. The Norwegian preliminary study is actually convinced of this and says, paradoxically, that "no one should have any illusions about being able to make his own little corner of Europe into a refuge in a nuclear war." Despite this view, the Faeroes, Iceland and Greenland should not be included in the zone initially. In addition to being illogical, this standpoint will weaken Nordic cooperation and solidarity.

No Military Considerations

Until recently, most of the Nordic peace movements have had the same view of a Nordic nuclear-free zone as the one represented in the Norwegian preliminary study. In many cases, this view has been deliberate, but some movements simply seem to have forgotten that the Faeroes, Iceland and Greenland are part of the Nordic region. The Danish No to Nuclear Weapons group recently corrected this error and included these island communities in their concept of a Nordic nuclear-free zone.

It is important that the Nordic peace movements include the Faeroes, Iceland and Greenland in their demand for a Nordic nuclear-free zone without any kind of consideration being given to military interests based on a military alliance and/or the superpowers. A struggle for peace can never be a question of the degree of provocation with respect to the superpowers. Solidarity and neighborliness must be given a higher priority and we want this to be done by the Norwegian peace movement as well as other peace movements.

6578

CSO: 3106/148

CP LEADER WHO STARTED REVOLT IN PARTY MAKES PEACE AT FEST

Copenhagen INFORMATION in Danish 17-18 Jul 82 p 5

[Text] Erik Clausen praised the newspaper that concluded the critical debate on the party leadership.

Versatile performer Erik Clausen has not abandoned his faith in the Danish CP and in the quality of the party newspaper, LAND OG FOLK.

In the program for the annual LAND OG FOLK festival to be held the weekend of 14-15 August, Clausen welcomes "the festival for the world's only Danish socialist newspaper, LAND OG FOLK."

According to Clausen, the communist daily paper exists "in the midst of a country where the free press is so free that it has the freedom to lean on financially strong monopolies, in a country where the bourgeois press is so free that its relationship to reality is extremely free and when it comes to the truth, it takes some incredible liberties."

Erik Clausen was among the nine communists who mapped out an open showdown a month ago with the present Danish CP leadership through a chronicle in the newspaper, B.T.

The chronicle was printed in the bourgeois press because as a condition for possible publication of the critical article, LAND OG FOLK said it must first be discussed at a meeting of the party's Central Committee.

The chronicle accuses the party leadership of placing restrictions on the debate in LAND OG FOLK.

"The party's internal debate style is reserved and aloof in relation to non-party members. Discussion is limited to the party organization and members can only discuss the policies of the leadership in local organizations or in their union groups, while there is an actual ban on Danish CP members discussing party policy and strategy with other communists outside the members' party sections," wrote Erik Clausen together with the eight other communists in the B.T. chronicle.

It was later printed in LAND OG FOLK which went contrary to its usual practice in the last month by printing debate articles on the criticism that had been made.

Now the party leaders have decided that the debate is over, however, and this also means that "no articles will be accepted in the future from the seven or nine as a group."

Against that background, Hanne Reintoft told INFORMATION Friday that she no longer believed it was possible to create openness and democracy in the Danish CP. "I think they are so rigid that it is hopeless," Hanne Reintoft said.

In the program for this year's LAND OG FOLK festival, Erik Clausen wrote:

"Come on out and see proof that communists are not dry and stiff people whose faces are trying to mirror a gray flannel suit and an awful tie. No, come and see and note the air of joyousness and imagination. Come and see everything you do not get to see on TV and in the bourgeois press, the sensation of real life, a sensation it is impossible to see at the Royal Theater, namely quite ordinary people who work politically in a belief and a hope of a better future. That is the true sensation and quality of the LAND OG FOLK festival. In addition there will be many known and unknown artists who will give performances and show the flag for the world's only Danish socialist newspaper, LAND OG FOLK."

6578

CSO: 3106/149

CP CENTRAL COMMITTEE CALLS HALT TO DEBATE ON 'DEMOCRACY'

Copenhagen INFORMATION in Danish 16 Jul 82 p 3

[Article by Per Knudsen]

[Text] The leadership of the Danish CP has called a halt to the debate on itself. Hanne Reintoft said: "It does not surprise me--the party leadership will not accept openness and democracy."

The executive committee of the Danish Communist Party has decided that the debate on the criticism directed against the leadership of the Danish CP by nine present and former members is now over.

This appears from a big article in LAND OG FOLK Thursday, signed on behalf of the executive committee by party chairman Jorgen Jensen.

Under the heading, "Final Response from the Danish CP Chairman," Jorgen Jensen wrote that it is the "opinion of the executive committee that the debate in LAND OG FOLK on the form and consequences of the 'uprising' is now ended."

Jorgen Jensen added that this "is also in line with the many requests from districts, sections and orientation meetings to end or change the debate."

The debate that is over in the opinion of the party leadership was started about a month ago by the following nine communists: Hanne Reintoft, who has resigned from the party, her husband, Knud Leihoj, who was expelled on the grounds of "activity damaging to the party," and these seven party members" Carsten Clante, Erik Clausen, Per Schultz, Lars Bonnevie, Kjeld Ammundsen, Jane Rasch and Steen Hartviw Jacobsen. Four of them are members of the Danish CP's cultural committee.

Together, the nine wrote a long article outlining an open showdown with the present leadership of the Danish CP. The article was published as a chronicle on 10 June in the newspaper, B.T.

The nine say that the party leadership made it difficult to have the article printed first in LAND OG FOLK. Party chairman Jorgen Jensen denies this. He says that the nine had decided in advance to go to the bourgeois press with their criticism.

It appears from the article, which was later published in both LAND OG FOLK and INFORMATION, that the nine want the party leadership cleansed through an open debate by members.

In brief, the nine accuse the Danish CP leadership of quelling open debate in the party, of complying with the foreign policy interests of the Soviet Union and of hindering work by members in the union and other popular movements. In summary, the article characterizes the party leadership as untrustworthy and incompetent.

Danish CP chairman Jorgen Jensen immediately called the criticism "unqualified and untruthful" and later, the Central Committee of the Danish CP approved a statement expressing hope that the nine would "cease their formation of factions or groups."

In an explanatory comment on this statement, party chairman Jorgen Jensen told INFORMATION that "if they continue to act as a cohesive group or choose a spokesman, it would be irreconcilable with party interests."

No More Articles Accepted From Nine

In his "final response" in yesterday's edition of LAND OG FOLK, Jorgen Jensen added that as a result of the Central Committee's decision, "no more articles will be accepted from the seven or nine as a group."

The party chairman feels that the nine "are trying to force a sidetracking discussion on the party," which conflicts with the party's organizational principles, with party comradeship and with a sensible discussion and decision-making process.

Jorgen Jensen does not think this was a matter of a "letter to the editor with political questions, but a party discussion in LAND OG FOLK on topics that can only be settled at a future congress."

Against its customary practice, LAND OG FOLK has published debate articles on the criticism presented during the past month. Since this debate is now regarded as over, Jorgen Jensen promises that the articles "will become part of the discussions leading up to the national congress and the decisions to be made there.

"But," the party chairman added, "we will also come back in LAND OG FOLK to some of the questions and answer them on the basis of party decisions and positions."

Harmful Debate

Danish CP policy is established at party congresses, Jorgen Jensen pointed out. "Therefore, discussions must be held and concluded there, where the decisions can be made."

At the same time, the Danish CP chairman denied that the congresses are undemocratic, because Central Committee members have the right to vote without being elected as delegates. The critics say that this means in practice that the party leaders are self-supplementing. In response to this criticism, Jorgen Jensen said that if Central Committee members were to be elected as delegates, it would limit the number of delegates to be elected from district activists.

The party chairman insisted in general that he supports "an open, clarifying comradely debate in the party," but he added:

"It is obvious that the form chosen by the nine for their 'uprising' against the party and its leaders has harmed the party's reputation and provided our opponents with emotional arguments. But the discussions at orientation meetings have also shown that the great majority agree with the political decisions of the last congress and that the party is strong and healthy, although there is still much that needs to be improved on in our leadership work and in our work in the local organizations."

Against this background, Jorgen Jensen recommended that party forces now take up external tasks. In that context he mentioned the "peace struggle," the "union struggle" and the "social struggle."

Party Practice

Along with Jorgen Jensen's "final response," LAND OG FOLK printed a last article from the nine as a group on Thursday.

In that article, the nine complain that "people have paid more attention to our methods than to the substance in what we have written."

The nine deny that they constitute a faction, but maintain that the points of criticism that have been brought up "must be discussed and cleared up."

"It is not the party's policy, but the party's political practice that has been the subject of our reflections," they wrote.

Reintoft: Empty Phrases

In a comment to INFORMATION on the decision by the party leadership to conclude the debate, Hanne Reintoft said that it did not surprise her.

"I had not expected that the party leadership would use the chance to create openness and democracy in the party and they are stopping the debate now simply because they do not want openness and democracy."

Hanne Reintoft disagrees with Jorgen Jensen that the debate has harmed the party.

"It has been a vital debate for the party, though I am disappointed that the debate has been so flat and the response of the party leadership to the criticism has largely been in the nature of self-confirmation and self-congratulation," she said.

Hanne Reintoft said Jorgen Jensen's "final response" is "full of empty phrases that show once more how untrustworthy the party leadership is."

She also denied that the nine constitute a faction.

"We are nine people who like each other very much. I did not think that was forbidden," said Hanne Reintoft.

Undemocratic Leadership

She also stuck to the allegation by the nine that the Danish CP leadership is self-supplementing.

"At the last congress, there were about 360 delegates, but although the 40 Central Committee members are not elected delegates, they have the right to vote. That means it takes more than an ordinary majority to topple the leadership. They can be re-elected with a minority vote by 44 percent of the delegates--and I will go on maintaining my right to call that undemocratic. Besides, the congresses are run by a congressional committee, a majority of whose members are from the Central Committee, so in practice the leaders are self-supplementing. It is also a fact that the present leaders have been in power for practically ages," said Hanne Reintoft.

Too Rigid

She added that it is now up to those who are still party members to make the Danish CP a viable organization.

"But personally I do not think it is possible. I think they are so rigid that it is hopeless. Heaven knows I would love to have an open and free socialist society--and we will probably get one some day--but that is not the kind of society the Danish CP is working to create," said Reintoft.

Carsten Clante, who is still a Danish CP member, told INFORMATION that he did not want to comment on Jorgen Jensen's "final response" at this time.

"I would like to discuss the situation with the others," he said.

6578

CSO: 3106/149

GENSCHER'S PROBLEMS WITH FDP LEFT, RIGHT WINGS .

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 16 Jul 82 p 3

[Article by Claus Gennrich: "A Busy FDP Left and the Social Democrats' Aggressive Tactics Are Causing Increasing Concern to Genscher--Will the Berlin Party Congress Sit in Judgment Over the Chairman?"]

[Text] Bonn, 15 July--The concern of FDP Chairman Genscher is increasing. The agreement of the Bonn coalition about the 1983 budget is already proving fragile. In any case, no matter how much the FDP is celebrating the people's own contribution to the cost of hospitalization as a breakthrough against the philosophy of entitlement, the compromise consolidated the position of Schmidt rather than helping Genscher. Now it is becoming clear that it is not only in the SPD--particularly in Hesse, for election campaign reasons--that dissatisfaction with the budget is being voiced, placing in question the realization of a number of agreed decisions; Economic Minister Lambsdorff too sees the bases of the bloc of figures slipping away since the assumptions of economic growth in 1983 are becoming increasingly uncertain. Because he says so, the SPD is accusing him of impertinence, and there is tit for tat, with the choice of words among the Bonn coalition partners having become one of adversaries.

Genscher himself finds himself in increasing straits between the "barring majority" on the left of his party which wants to block any thought of a change in Bonn and, for the moment, has turned out to be successful in doing so and the others, around Lambsdorff and Scheel, who see their party sinking away below the horizon of irrelevance unless the "change" is not also executed in practice. Genscher is bound to feel his party being surrounded by snares which he now could only untangle if, contrary to his nature, he made up his mind to act. And so it can happen that the FDP congress in Berlin in November will become the most unpleasant party congress in his long experience, with the congress sitting in judgment over him. FDP membership figures are shrinking. The PSD is likely to steer a Federal election course as early as 1983, advancing also against an FDP being detained in the government and increasingly losing an image of its own. And the elections in Schleswig-Holstein and in the Rhineland-Palatinate in Spring 1983 might then increase the nightmare.

In the end the FDP and Genscher himself might lose their influence in Bonn, their political and also their "personal" role. Under such auguries Genscher

might, for the first time, be envisaging the road to the party congress in November as a deadend from which one could hardly imagine an escape if the FDP had previously gone under in Hesse. Thus his straits might, after all, impel him to flee in a forward direction--something which is contrary to his nature--if the Hesse FDP survives with Dregger and, at the same time, the shaky framework data of the budget cause the collapse of the budget edifice even before the parliamentary roofing ceremony. As yet there is no possibility of a supplementary budget before the budget in its present form is approved by Parliament this winter, and, for a start, it would require new negotiations if the premises turn out to be faulty. Once more, presumably for the last time before 1984, there would be the possibility of handling things "on the basis of issues," of fleeing into the presumably smaller danger on the side of the CDU/CSU and seeking new elections before the FDP could shrink to nothing for good--and this is something for which Genscher might secure a majority at the party congress. This, however, would presuppose a demeanor by Genscher which the Baum wing would object to as a coup of his--but which might reconsolidate his shaking foundation in the party. Apparently the possibility of it cannot be ruled out altogether, for Genscher seems to be recognizing the calamity which the Social Democrats may be preparing for him with the help of the Greens--possibly not over all that long a term at that.

It is for this reason that the ditch-to-ditch fighting in the FDP is so violent these days. The leftwing and the center of the FDP in the Bundestag, which has been inactive so far, are becoming increasingly aware of the fact that Genscher, though he found himself pushed against the wall in the budget dispute, might be more ready than before to take the leap precisely from such an uncomfortable position. The call for pen and paper during the budget talks was rather a tactical move, but it made it clear to all that Genscher is not absolutely prepared to remain in this coalition.

Genscher has not by any means always been on the staggering course whose direction the minority probably is confident of being able to impose on him for good. His mocked stated aim of a "change" pronounced already at the Cologne party congress a year ago was also understood by his opponents in the FDP. At a meeting of the party left in Cologne in February, these warned him against a change in coalition. While veiling this objective, which is given consideration at least as a possibility, he kept it in view. The majority of FDP Bundestag deputies reprimanded the participants in the Cologne meeting headed by Mrs Schuchardt, though many deputies, extending to Baum and his parliamentarian State Secretary von Schoeler, professed understanding for the events organized by the left, if not for its aggressiveness. Already at that time the distance between Baum and Genscher was confirmed.

Since then regional party congresses, such as the one at Siegen in North Rhine-Westphalia, appear to have confirmed the fact that the "bourgeois center" is on the advance against the vociferous leftwingers. Genscher thought that troops were lining up for him there. Then he handled the preparation for the budget negotiations, like the negative assessment of the Munich SPD party congress, with the "option," if need be, to give up the Bonn coalition and to seek support on new shores.

Who Can Keep the Diverging Wings Together?

Genscher's opponents mobilized, however, saying that while broad sections of the deputies in the Bundestag were putting up with a break they did not desire it. Models for executing a change were weighed by 25 members of the Wurbs circle in the Bundestag and advocated by a number of persons, but no pressure emerged which would have impelled Genscher to make decisions. People wrote in anonymously threatening a split in the party. A Steglitz group demanded that Genscher resign as chairman of the party. Executive members Borm and Lutz increased their opposition. Borm's former aide Runge and his ally Lutz sent out threatening circulars. Secretary General Verheugen stepped in Genscher's way by mentioning possible cooperation with the Greens in certain issues, and Mrs Matthaeus-Maier supported Verheugen. A "Freiburg circle" of Bonn FDP members asked that another party chairman be elected in the fall.

Who this might be remained obscure for the time being. A majority for Minister of the Interior Baum was hardly conceived because it was unlikely that the diverging wings could then be kept together. It was held that Mischnek would be reluctant to step into the breach if Genscher resigned and certainly would not run against him. Since no promising candidate opposing Genscher was in sight, it was thought that he could turn around his opponents' call for his resignation and himself hint at stepping down, using this perhaps also as a means of having his (then perhaps new) policy confirmed--a policy which he might describe as a consequence of the "change" in the event that he desired this in November.

Meanwhile Baum is holding fast in his opposite stand, constructing a different argument. According to him, it is possible for the FDP to be blackmailed not only by a Social Democratic coalition partner but, every bit as much, by the CDU/CSU in case a new government is formed. He thinks it is impermissible to help bring about a government with Kohl and Strauss which one promised to prevent in the 1980 election campaign. The Greens, Baum wants to force "to discuss the issues" of security policy and pollution of the Elbe, thus inducing them to behave like the other parties. In any case, according to Baum, the successes of the Greens are but the result of the "short-term lack of perspective" of the thinking of politicians, including those of the FDP.

Even though Baum does not mention his party chairman by name, he emerges as the target of this reproach. Verheugen thinks that the FDP should show at the November party congress that it is learning from the Greens to "refrain from the question of power" and only to set objectives. Genscher must have taken notice of the fact that the foremost "objective" being mentioned is peace policy and, therefore, security policy. This is where he encounters vehement opposition in the FDP. As early as 1981, one-third of the Cologne party congress delegates opposed his security and alliance policy, inducing him to threaten with his resignation--prematurely at that time but perhaps no longer so in the near future. Genscher is bound to be alarmed at Minister of the Interior Baum being quoted as saying that there are points of contact with the Greens in peace policy. As far as he is concerned, there exists no point of contact here but only a threat against the NATO policy which he intends to

pursue in any coalition, but perceives to be in jeopardy in the coalition with the SPD as it is.

Like it or not, Genscher intends to participate the work of the special national committees in preparation of the party congress in order to prevent the worst. He cannot, however, prevent his opponent Borm, who condemns counter-arming and Washington's policy, from again heading the foreign policy committee and tripping him up. Originally the FDP left had called for a special party congress to enable it to sit in judgment over Genscher. Now, at the election party congress, not only will attitudes be turned into votes, but the "Friburg Theses" of 1971, as a demand that the FDP open up to the moving forces of society, are to be made an assembly point for the leftwingers. Yet about half of the delegates will be new in November, having been elected in the Land parties since the previous party congress, and Lambsdorff hopes that the "trend toward the center" will gradually begin to prevail.

So far Genscher has not shown himself eager to talk with FDP Land politicians and deputies. That is another reason why he appears to be remote from his party. Speaking clearly and unequivocally is not his forte, and so he seldom promotes intentions of his own. Majorities will form for him, but they will vary in the interpretation of his aims. Things have reached a point where even an initiative "Solidarity With Genscher" by Mr von Gumppenberg of Landshut is welcomed, or perhaps even found necessary, by the party chairman. Land parties are sorting themselves out, most of them on Genscher's side. Yet all this already shows that Genscher is in charge only conditionally. If he wants to stay, he will have to set conditions himself. His predecessor, Scheel, criticized by Baum for that reason, is ready to teach him how to do it.

8790

CSO: 3103/589

STUDIES SHOW SPD'S PROBLEMS BEGIN AT COMMUNAL LEVEL

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Jul 82 p 8

[Article by Helmut Herles: "SPD Crumbling in Its Strongholds"]

[Text] Bonn, 21 July--One of the reasons why Social Democrats like Lafontaine would like to see the SPD change and become the opposition is the decline of the SPD as a communal party. Lafontaine hopes that some time spent as the opposition in Bonn will lead to a regeneration of the party in the Laender and local communities. There are politicians, however, who want to keep the party and Chancellor Schmidt in power and who fear the role of the opposition in Bonn; because communal strongholds have been crumbling and the party has suffered losses in FRG Laender, it would currently be more impotent than it was during the Adenauer years, when it had lord mayors and a position in FRG Laender and when in spite of its oppositional role in Bonn it was simultaneously the party in power.

Of course, SPD losses in the cities and communities do not only mean that Von Weizsaecker, CDU, instead of Vogel or Stobbe will govern Berlin, Kiesl, CSU, instead of Kronawitter or Vogel will govern Munich and in the near future Kiep instead of Dohnanyi may govern Hamburg. The ailments of the SPD did not only result in a loss of power. They did not only reveal themselves in the horror over entanglements and scandals, as happened recently with respect to the "Neue Heimat." The decline in the cities is also related to a crisis for communal SPD organizations. Because not only the voters turned their backs on the SPD, even members left in droves.

The SPD's Franken area (Chairman Bruno Friedrich) distinguished itself because between 1979 and 1981 the most significant analysis to date of the structures and activities of Social Democratic local organizations was produced by Walter Kolbow, Wuerzburg's Bundestag deputy, in cooperation with the Institute for Applied Social Science, Bad Godesberg. This study, which was followed by a comparable project undertaken by the North Rhine-Westphalia Land association and the Munich Sinus Institute, is putting its finger on the open wound of the SPD. According to the report from Franken, the membership movement in the biggest cities of the FRG between 1973 and 1980 shows that in many metropolitan areas not only voters deserted the SPD but along with them the members, which prepared the way for the Union parties to change from upper-class associations to "communal parties." Only in Duisburg, Cologne, Essen and

Dortmund did the SPD gain members during this period, and according to the Franken study the party on the Rhine and Ruhr is exemplary in general. In the process it also became evident that the SPD Land association of Johannes Rau, who is governing the biggest FRG Land with an absolute majority of parliamentary seats, should also be hearing the alarm. According to the Franken study, the following cities registered the biggest losses of SPD members since 1973: Munich (-27.6 percent), Frankfurt (-21.9 percent), Hannover (-19.6 percent), Hamburg (-18.6 percent), Stuttgart (-12.2 percent), Duesseldorf (-9.2 percent), Berlin (-8.4 percent) and Bremen (-8.3 percent).

In Franken's metropolitan areas there were also quite a few who returned their party books. In Erlangen the SPD lost 24.6 percent of its members, in Nuernberg 22.2 percent, in Fuerth 20.1 percent and in Wuerzburg 8.2 percent. In other words, Nuernberg's Lord Mayor Urschlechter is not the only one who left his party. For the entire area of Franken the membership declined by 12 percent between 1973 and September 1981. The number went down from 60,612 to 53,459. Even in the "Red territory" the comrades left: in Dortmund every 25th person, in Bochum every 34th person. This development is continuing. During the Munich party rally in April, Goltz, the Federal manager of the SPD, had to concede that in 1980 the SPD had a total membership of 986,822 people and at the end of 1981 only 954,119 members were left: In 1981 the SPD lost 3.3 percent of its members.

The membership shrinkage is accelerating the exodus of voters. Since 1980 9 percent of the voters turned away from the SPD, 1 percent from the CDU, between 2 and 3 percent from the FDP; 5 percent of the SPD voters changed to the CDU, 2 percent to the "Greens," 2 percent to the FDP--it could be used by demographers as a hint to the politicians of the SPD, telling them what groups should be given more political attention: their regular voters and the political middle in general. Instead it is carrying on its debates almost exclusively on how to get more minorities to form a new majority "this side of the Union" (Brandt). As a result there will soon be even more "on the other side" of the SPD.

To be sure, Radunski, the resourceful Federal manager of the CDU, was a little bit too proud: He counted 1,043,650 members of the Union. The CDU is "not only the strongest among the voters but it is also the German people's party with the strongest membership." It was not yet true, because the CDU itself has "only" 711,000 members and in spite of all the losses the SPD still has more than 900,000. Radunski had added the independent CSU and other organizations close to the Union. But in spite of this adjustment: The SPD is decreasing, the Union is increasing.

Even the North Rhine-Westphalian SPD, which was used as an example in the Franken study, reflects the crumbling of the SPD in its strongholds. Since 1980 the North Rhine-Westphalian party--with a membership of 288,620 people--has lost an average of 3.4 percent, which corresponds more or less to the average for the FRG as reported by Goltz. Not even Westphalia seems to be "secure" for the SPD. According to a "trend assessment" by Manfred Guellner, manager of the Statistical Office of the city of Cologne (and onetime member of the Institute for Applied Social Sciences, Bad Godesberg), Herne may be

the only place where the SPD will get an absolute majority during the next communal election on the Ruhr. It could lose "its" cities of Bottrop, Essen, Muehlheim and Hagen and only remain in the territory of Gelsenkirchen, Dortmund, Duisburg, Bochum and Oberhausen.

The reason why so many Social Democratic members are leaving their party is related to the fact that in many instances their local organizations are no longer a home and work teams are facing one another as parties within the party. Blue collar workers are still a strong group (in North Rhine-Westphalia the average is 29.1 percent which, to be sure, is somewhat higher than the FRG average--28 percent--but it is no longer as strong as it is in Franken--36.2 percent) but they must feel like strangers toward the more resourceful members of the public service. Official regulations favor semi-professional careers. In North Rhine-Westphalia, for instance, 60 percent of 1,800 local organization chairmen come from the public service, 6 percent from the Education and Science Trade Union. Workers furnished only every fifth local organization chairman, and it is likely that some of them are "honorary workers."

Even the most important functions for local party work have also been divided according to this two-class system: the typical SPD cashier, who at one time was a helper and messenger in his community and, as a rule, finished grade school and joined the SPD already in the middle of the 1950's. The typical secretary, on the other hand, did not join the SPD until after 1970 and, as a rule, he has a secondary school diploma and wants a successful career. As far as that is concerned, the Franken reform, according to which all SPD members pay their contributions by bank transfer, will prevent "nonexistent bodies in the files"; and, consequently, Franken can settle with the Federal executive committee in Bonn before all the others. But the lifelines of a party like the SPD have been capped, because the cashiers are dying out.

The SPD in Franken observed that it is most difficult for their local organizations in those cities and metropolitan areas where a certain degree of alienation between the people already exists. All local organizations with more than 200 people are reporting losses. These "thoroughly urban" local organizations are inadequate as a tie to bind the members. At the other extreme, one-third of all local organizations in Franken have only up to 25 members and 70 percent of them reported losses as well.

The "right" size of an organization must therefore be between the two sizes.

Kolbow's study confirms what the SPD already knows but does not always want to admit: It has become a people's party with structures that are similar to those of the Union. Sixty percent of all local organization chairmen are officiating in residential areas where people own their own homes. One can read in the study that this population level cares a great deal about family, home and leisure time, it is alive when it comes to communal politics. Kolbow asks: "Where and how does the SPD deal with these interests politically, where is an organizational concept that engages in communication"? "Leisure time activities for members and nonmembers are scarce. The local organization is becoming less and less a political, social, cultural organism." In the process

even the people in Franken are beginning to argue, because they are maintaining that 40.6 percent of the local organization want a "strong" program organization, 33.5 percent want a "medium-strong" one. It is to be proof that the "ideal, the moral motivation" is still the "crucial prerequisite of the political engagement" in the SPD.

Bruno Friedrich is using these arguments as a basis for his suggestions that the development of the Godesberg program be continued. Since the 1975 party rally in Mannheim there has not been any discussion in the SPD about a program; the orientation of the young generation within the SPD, who are leaning toward the "Greens" and the Alternatives, is one of the causes. The idea that local organizations in Franken allegedly have so much interest in ideological matters is based on the fact that the local organization chairmen and the delegates who are shaping these opinions prefer to deal with "high politics" on all levels of the SPD and in the process the real life "on the local level" is getting the short end.

Nevertheless, it is important for the SPD to pay more attention to their local organizations, something that Wehner, its old teacher, demanded. Because the local organization should be the basis of the SPD, not the in-between levels of its delegates who consider themselves the basis. A revival of this "grass-root" work, which is concerned less with a new program or the worries of the chancellor about counterarming, would give the SPD the chance for reconstruction.

8991

CSO: 3103/593A

POSSIBILITIES, OBSTACLES TO SPD, GREEN COALITION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Jul 82 p 10

[Article by Dieter Wenz: "SPD Waiting for 'Hamburg Situation'"]

[Text] The coalition in Bonn is escaping from one crisis to another, and the SPD is doing poorly. Nevertheless, of late a strong mood has been spreading. It is not at all as expected, as if the party were trembling in anticipation of more bad news, but it is of the kind that promises new horizons, as if a new--heretofore unexpected--dawn is approaching. There are reasons for this mood. They are related, so it seems, to a progressive fading of the star of Helmut Schmidt, an almost steady decline of Genscher's FDP and, above all, the unexpectedly fast rise of the "Greens" and the Alternative Lists in the FRG. "What is going to happen if we find out in the near future that the "Greens"/Alternatives are the only political force we have that can put together a decent employment program"? A few leftists in the party are no longer the only ones who are posing this question with a sly smile.

Something is happening within the SPD as well as between the party and the new forces oriented toward ecosocialism and emancipation--above all, with a view toward 1984, the Bundestag elections. Of late Alternative Lists and the "Greens" have been spending less and less effort on overcoming the 5-percent hurdle to get into municipal, kreis and Land parliaments. Today their strength throughout the FRG is estimated at between 7 and 10 percent. According to most demographers, the FDP is in worse shape (occasionally it even goes below 5 percent); the SPD expects that in 1984 the FDP will move toward the Union anyway. The SPD itself is hovering around 40 percent. And perhaps, perhaps, some Social Democrats hope, gathering new courage, that the Union will in due time find itself once again entangled in personality calamities, perhaps involving Kohl, Strauss, Albrecht and Stoltenberg, which could hurt the party during the election. As a consequence, many SPD members have recently shown an interest in Hamburg: Von Dohnanyi, the elegant mayor of Hamburg is negotiating with a candid, colorful delegation of "Greens" and Alternatives (GAL) as if they were equals.

"All that is of great interest to us," the leftwingers of the SPD are saying, and the word of the "Hamburg model" is playing a big role. And not only the left wing of the party is preparing for the future: In 1984 the Union parties will again fail to get an absolute majority, the FDP will "drop out"--during

recent elections it has already happened, and it could become a trend in future decisions for several Landtage--in other words, the SPD could make it in combination with the "Greens," even if it were only one of these "tolerated" minority governments. "In recent years the FDP has had a massive influence on the SPD," the left wing of the party is saying. It strengthened the bourgeois wing more than it deserved and placed the leftists of the party in the role of outsiders without any chances.

Significant changes are to take place. Even the Federal executive committee of the SPD is thinking along these lines. For the time being, in Bonn as well as other locations, there are additions and subtractions. After all, there is still a lot of time until 1984: The change in course, if it is to succeed, is not to be a radical one; it must proceed slowly, step by step.

Will there be any progress? In principle, the question is only directed at the "Greens"/Alternatives. They have to justify themselves in the face of an alert grass-roots movement which is still more or less "antiparlamentarian," citizens' initiatives, for instance, without which the "Green"-multicolored successes in party strongholds would not have been possible.

Nevertheless, is it not the effect of a programmatic approach which might turn current conditions in the FRG upside down? At least the left wing of the SPD has also thought of it. Again the "Hamburg model" is called upon. To give only one example: In Hamburg the "Greens" are very active in their opposition to the planned expansion of the harbor. They began the election campaign with a lot of noise and the slogan, "We will prevent it." Now the left wing of the SPD says: Now they can do it. It will be extremely difficult to say no, they say with a cunning grim. Thus the state of the talks between the SPD and the GAL ["Greens"/Alternative Lists] in Hamburg leads leftwing Social Democrats to the understanding that they might also be able in the future to count on the seduceability of the "Greens," whenever "Green" objectives are at issue. They like to put it this way: As far as the left wing of the SPD is concerned, the "Green"-multicolored question--untainted opposition or finally accomplishing, realizing politically what they have always wanted to do anyway--has more or less been decided.

Bait for the Labor Unions

With the "Greens." At the moment it may sound adventurous. But when one looks at it more closely, this impression fades.

The resistance of labor unions, for instance: The current sentiment in the SPD is that they would not be very likely to resist the prospect of a suddenly possible, strong employment program. What the German Labor Union Federation needs more than anything else is members; it can only keep them when the job situation is in good shape. Energy policy? One could certainly come to an agreement: "Ten-year moratorium on nuclear energy, in the meantime we will use piped-in heat, it will guarantee jobs, after that we will make new decisions." Then there is a casual reminder of the suggestion by the Petition Commission which had been established by the executive committee of the party for the last Federal party congress. At any rate, the proposal contained a

request for a 2-year moratorium. And the first to sign were Wehner and Vogel. "Peace policy," to mention another one of the "Green"-multicolored "objectives": In this area there seem to be the fewest difficulties. After all, already during the last Federal congress of the German Labor Union Federation it took a lot of subterfuges and finagling to keep the labor union congress from announcing its opposition to the NATO double resolution. Recently Loderer, chairman of the Metalworkers Union, could be heard making specific statements in the direction of the "Greens."

But what about Helmut Schmidt? Is he not still in Bonn, as the chancellor? "That is the problem," the leftists in the SPD are saying. They are not timid about it. They seem to feel that there are indications that others in the party are considering him more and more of a "problem." Rumors are spreading in the party that the stern northerner is fading visibly, politically as well as personally.

The manner in which Lafontaine, member of the SPD Federal executive committee, is now addressing the public must be considered one of several pertinent signs: "Helmut Schmidt...does not comprehend what is going on inside the young people. And he also will not comprehend it when the SPD will get only 30 percent in Hesse...Schmidt has always been a man of the right wing and the party had to move over toward him so that he would be in the middle. It had to lead to dislocations and subsequently to paralysis." Gaus, former permanent Bonn representative in East Berlin--who also is no longer a pimply Young Socialist--considered it appropriate recently to call Schmidt publicly an opportunist, a man who always rolls up his sleeves but who does not have a firm, clear goal. Accordingly, Schmidt's faithful followers around Minister Franke have been given to understand: You will experience some unpleasant surprises. You are wrong about Schmidt. Party Chairman Brandt ("Oskar Lafontaine is a swell guy") was smart enough to refrain from commenting on the contents of the reproaches. Formally he did what he could not avoid. He was "supporting the chancellorship of Schmidt," he said. With a view toward 1984, however, other names for this office are mentioned in the SPD: Hans-Jochen Vogel is the name most frequently mentioned.

1984. Whatever happens until then, agreements on some points, for instance, and appropriate alliances between Social Democrats and "Greens" in local communities or even Laender, will be no more than feelers or skirmishes, the left wing of the SPD is saying. In 1984 there will also be a bigger base among the population for an alliance between the Social Democrats and the "Greens," which will promise an all-around renewal. By that time this matter may have lost a lot of its impertinent and unreal character.

Integrating, Separating

Meanwhile the keyword for the SPD is "constructive criticism" when it comes to dealing with the "Greens." Keeping an eye on public opinion, criticism is still considered expedient; at the same time the "Greens" and the Alternatives are given to understand that they are taken seriously. "To pick on them would be the most stupid thing we could do right now," is a precautionary warning that comes from the left wing of the SPD. In Berlin the "Greens"/Alternatives

were still "lucky." But in Hamburg they will now have to "put their cards on the table." At issue are incidents that would affect the structure of "citizens' initiatives" and those responsible for it down to the grass-roots level. The SPD is again talking about "integrating" and--as an aside--about "separating": What is important for the party right now is to promote the impending crucial crystalizations on the ecological-multicolored Left. There are hints--it is the Social-Democratic double strategy--of sharing the power, instruments are offered that promise opportunities for political implementation.

There is less talk in the SPD about the repercussions of such an alliance on the party itself; it could activate the bourgeois wing which still feels that the dispute has not yet been settled over the basic principle of the party between Loewenthal/Schmidt (stronger orientation toward labor unions) and Eppler/Brandt (opening up toward "new social movements"). Loewenthal, Eppler, representatives around Franke and Annemarie Renger: Even the SPD is facing serious difficulties.

Today there is a lot more talk about a "new beginning" than--as was the case only a few weeks ago--going into the opposition, where the tired party could gather new strength and be regenerated. A mood of going forward is spreading in the SPD: This time, while busily waiting for the "Hamburg situation" and its effect on the entire FRG, the left wing is in agreement with the party leadership.

8991

CSO: 3103/594

SPD LOSING WORKER SUPPORT IN NORTH RHINE-WESTPHALIA

Hamburg DER SPIEGEL in German 19 Jul 82 pp 29-30

[Article: "Engage in Action--The Social Democrats on the Rhine and Ruhr, the last SPD Bulwark in the Federal Republic, Now Also Find Themselves in Difficulties"]

[Text] In the Cologne Mondial Hotel the head of the North Rhine-Westphalian Government, Johannes Rau, decided to take the opportunity and talk to leading comrades "a little more freely about the existing problems." The Social Democrats of North Rhine-Westphalia, he said, are in the "extraordinarily difficult situation" of having indicated since 1966 that their "first aim is support of the Federal government."

Evidently having understood their cautious boss, the comrades nodded their approval.

Rau's labor minister, Friedhelm Farthmann, was more outspoken at a meeting of the Land party executive. "I cannot stand it any longer," he said despairingly after the latest economy decisions in Bonn; "I cannot explain it to anyone."

Even someone who had always stood staunchly by the coalition now was getting worried. "Every day in Bonn," said Hermann Heinemann, the head of the largest SPD district, Western Westphalia, "is sapping our strength anew."

For weeks now, leading Social Democrats on the Rhine and Ruhr have been engaging in crisis talk and staring in the direction of Bonn. Apparently they do not want to admit the truth about what has been happening in their own Land party.

Of all places, the SPD is revealing weaknesses in the most populous FRG Land, the Land where as recently as at the May 1980 elections the trend was pro-SPD, with the party getting 48.4 percent of the vote. According to an Allensbach poll, albeit one based on only 500 persons, the CDU in an election today would get 52 percent of the vote, while the Social Democrats would get 32 percent.

A study for which the North Rhine-Westphalian Social Democrats commissioned the Munich Sinus research institute points up the sad state the party is in.

The Sinus study--the first one to analyze the membership of an SPD Land party, shows the North Rhine-Westphalian SPD to have lost 3.4 percent of its members, on the Land average, since 1980. The party has 288,620 members, and last year it lost exactly 21,038 members while gaining only 6,967 new members.

The Bonn party executive gives the losses of the entire party in 1981 sometimes at 32,000 and sometimes at 20,000. These figures represent a generous estimate, with probably neither being right.

The fact that the new SPD generation has become unpopular among young citizens has played a part in the decrease. Every third person who has quit the party has been of Juso [Young Socialists] age--18 to 34. Every other person who quit had only joined the party between 1970 and 1976. "The chaff is separating from the wheat" is Agriculture Minister Otto Baeumer's comment; "many defeatists and troublemakers are leaving."

Not only these, but, as the five-digit figures show, also workers. Almost every third of the SPD workers turned in his membership book in 1981--32 percent in western Westphalia, for example.

The balancing act between the new party generation and the veterans is reflected in the level of education. The SPD on the Rhine and Ruhr is no workers party any longer--not only because, as Federal executive manager Peter Glotz puts it, there are now fewer "workers in the traditional meaning of the word" than there were in 1930, when as many as 60 percent of all SPD comrades still called themselves workers.

In 1981 no more than 29.1 percent of party members in North Rhine-Westphalia identified themselves as workers. In turn, the number of white-collar employees and civil servants in the Land SPD increased out of proportion to the population as a whole, with 24.3 percent of members being white-collar employees and 9 percent civil servants.

Of the 1,800 local party chairmen in North Rhine-Westphalia 60 percent come from public service and 6 percent belong to the Education and Science Trade Union (GEW), whereas the percentage among members amounts to a total of only 1.4 percent. Only every fifth local party chairman is a worker, and even in the Red area a mere 22.3 percent of the chairmen are workers.

The typical SPD treasurer is a Hauptschule [grade school] graduate and has joined the party in the mid-fifties. The typical secretary joined the SPD after 1970, has at least qualified for college and is pursuing a career.

The leading comrades are appalled at this. "We are becoming a party of intellectuals," laments the Land chairman of the AfA [Committee for Labor Studies], Friedhelm Farthmann. "The arrogance of many college graduates and students in the party" is "intolerable," states a report by the Essen SPD reflecting the party frictions. "Send out some dozens of comrades to give the braggarts a big kick in the behind," one local party told the Land party.

A number of people find themselves between two fronts. When Osnabrueck sociology professor Dieter Otten, one of the industrious members of the Lower Saxony SPD, spoke at the University of Bochum recently, the students mocked him as a "Schmidt fascist." And in the Osnabrueck Subdistrict Office, party colleagues of his charged the same day: "People like you are responsible for the whole thing."

What is being vented at the party base at many places is ire against the intellectual operators--schoolmasters and snappy drafters who have had the say for a few years. The particular perspective of the intellectuals may also have been the reason why during an SPD check among local parties most executives cited "municipal policy topics" as most important--93 percent--and thought that the biggest minus was "occupation with theoretical questions."

What CDU strategist Kurt Biedenkopf did not manage to bring about with his campaign against the buddy-buddy relations between unions and the SPD on the Rhine and Ruhr now, after a couple of years of sole SPD government, no longer appears to be beside the point. The united front is proving vulnerable.

"Organized labor," says Comrade Siegfried Bleicher, a skilled machinist who has just moved from the DGB [German Labor Union Federation] Land executive to the DGB national executive, is "no entity at the disposal" of the SPD government of which the latter "can be sure."

"We all thought that now we will get going" when the Social Democrats came to power in May 1980 without their little FDP partner, Bleicher says, but there appears to be no difference from the SPD-FDP coalition government--something Minister-President Rau interprets his own way, saying that the "unions have big problems, being unable to help because they have their own dilemma."

Nor does the electorate in the Social Democratic strongholds appear to be all that solidly behind the party any longer. According to an evaluation of trends by sociologist Manfred Guellner--formerly with the Godesberg Infas Institute and now head of the City of Cologne Statistical Office--the Ruhr SPD will retain an absolute majority in the next municipal elections only in Herne.

"If the trend of the last election continues," Guellner says, the SPD will lose in the former strongholds of Bottrop, Essen, Muelheim and Hagen. Only in five district cities--Gelsenkirchen, Dortmund, Duisburg, Bochum and Oberhausen--the SPD will remain in power, he says.

A considerable decrease in membership is already being experienced by the SPD on the Ruhr, where even the hosts of the leading local establishments are Social Democrats. In Dortmund every 25th Social Democrat has left the party, in Bochum every 34th. "It is no longer fashionable to be a member of the SPD," says Duisburg Chief Mayor Josef Krings.

Social Democrats are unable to cope with the local problems--the devastating structural crises in the Ruhr area and East Westphalia--particularly not with empty coffers. In the budget year of 1983 North Rhine-Westphalia will have to

add DM 8.1 billion indebtedness to the old indebtedness of DM 54 billion, and even then only 1,000 of the expected 8,000 new teachers will find employment.

"We will constantly be losing elbowroom for political organization," says Finance Minister Diether Posse. The most important thing now, according to him, is "the party's credibility."

The Federal government does not make things any easier for the comrades next door. "Talking freely" before leading party members, Rau stated that "powerful hints" had been required in Bonn "to prevent the Federal budget reform at the latest budget talks not proceeding solely and foremost at the expense of North Rhine-Westphalia."

Bonn wanted to make just as rigorous cuts in coke subsidies as in the case of steel, and in subsidies for public transit or miners' insurance. "They need the Blacks [CDU/CSU] from southern Germany for the Bundesrat [FRG upper house]," says a member of the North Rhine Westphalian Land executive; "as for us, they know we'll go along anyway."

It an old love that is going rusty. The Social Democratic districts in North Rhine-Westphalia--in contrast with South Hesse, for example--have always been on intimate relations with Bonn. Western Westphalia is considered a solid pillar of the SPD chancellor, and Dortmund went into mourning whenever the chancellor's party lost somewhere else.

However, the social cuts in Bonn are hitting the Social Democrats in the coal basin where it hurts. Ever since Walter Arendt, at the latest, they have believed in the social welfare state. "Now," says SPD Land executive manager Bodo Hombach to raise the morale of those in the dumps, "we must not constantly look toward Bonn any longer but do things ourselves, engage in action."

With projects of their own, the North Rhine-Westphalian Social Democrats now want to be distinct from the desolate Bonn image. For the second half of the legislative period, Rau has internally promised a little socialism.

He wants a "limited expansion of codetermination" and also has promised educational leave, "though on a reduced scale."

The party wants to try to get near the base. It wants to regain a foothold locally. Just as in grandpa's SPD, a competition for youth photographic groups is being organized, and a youth theater company is to travel through the Land. Academics are trying to come up with new slogans of comradeship, local projects with unemployed are being planned, workers are debating with Greens, and the party is distributing posters saying "Come join the SPD."

Perhaps the workers will actually return. "If everything in this country has made a right turn," says Minister Baeumer, and "the failure at the 1984 Bundestag election is behind us, the return of the SPD will begin in North Rhine-Westphalia. North Rhine-Westphalia will not vote until 1985."

The North Rhine-Westphalian Social Democrats might at least be able to cash in on the we-feel-sorry-for-them effect.

STALINISTS' CHIEF SINISALO COMMENTS ON FALL POLITICAL ISSUES

Helsinki TIEDONANTAJA in Finnish 7 Jul 82 pp 5, 11

[Interview with Taisto Sinisalo, vice chairman and leader of the minority faction of the Finnish Communist Party; by TIEDONANTAJA; date and place not specified]

[Text] The political situation in the spring left a difficult "point of departure" for the fall. The preparations for important and far-reaching solutions concerning the state economy and employment as well as preparations for the parliamentary elections caused the postponement of several issues and their solutions until the fall. Thus, for example, solutions concerning job protection and unemployment security are among the large issues facing the forthcoming political season.

When we take note of the difficult international situation and the central importance of questions connected with foreign policy and the difficult situation in the Communist movement, it can be seen that political life in the fall will be busy and eventful.

These were the thoughts expressed by Taisto Sinisalo as he was preparing to leave on his summer vacation. TIEDONANTAJA solicited comments from him on the eve of his vacation.

[Question] Even the vacations of politicians seem to be of public interest. There has even been quite a discussion about your vacation in the press. What are your vacation plans?

[Answer] I and my family are going on vacation to the Soviet Union by invitation of the CPSU Central Committee. It is a question of rest and relaxation.

[Question] Will your trip include discussions with representatives of the fraternal party?

[Answer] I would expect this to be the case. Indeed, this is normal for cooperation between the parties and there is nothing extraordinary in this even though attempts have been made to find something in public in connection with such assumptions.

The situation in the SKP [Finnish Communist Party] will arouse interest. There are also some issues which cannot be ignored on the part of the Finns. Cooperation and mutual relations between our parties were brought up in the spring

in a way which demands that every possible measure should be taken in the area of relations between our parties.

I have also decided to take advantage of this trip so that I can obtain some expert information particularly from the point of view of international development.

[Question] You mentioned that we can expect a politically caustic fall.

[Answer] Yes. We will be encountering important solutions under difficult, rightwing conditions. The rightwing trend is becoming apparent in changes in the political map, but it is also apparent in the internal development of several parties.

For example, the economic policies of the Social Democratic leadership are downright alarming. The O-line proposals regarding wage solutions, the negative positions in the preparation of legislation concerning the protection of the right of cancellation and with respect to unemployment security indicate that the goals of a more leftwing policy are not to be accomplished. The SDP leadership seems to be anchored in a traditional petit bourgeois reform policy line, which in the current economic situation is turning out to be openly reactionary. The SDP leadership is attempting to push through this kind of negative policy from the point of view of wage earners in the trade union movement also.

Various evaluations can be made of the Center Party's recent party congress. One cannot help but notice that the growth of the Conservative Party and rightwing pressures within the party itself as well as outright inimical attitudes toward the Center Party which have appeared in the workers' movement have also had the effect of making this party's policies more rightwing.

The situation from the point of view of cooperation between workers' parties and center forces is approaching an impasse with respect to numerous crises. A policy which lacks the trust of the working people does not offer any prospects or a central basis for government cooperation, for example. The probability of a government crisis can also be included in the political picture for the fall.

Rightwing Pressures and Foreign Policy

[Question] How does this rightwing trend in our country become evident in the area of foreign policy?

[Answer] Naturally, it has an effect in all areas. Our country's foreign policy situation has not yet stabilized in the post-Kekkonen situation. President Koivisto's assurances to maintain and develop the foreign policy course of Paasikivi-Kekkonen must be greeted with satisfaction. In the present international situation it is of special importance to the security of our nation. The present situation emphasizes the importance of an active peace policy based on the YYA [Friendship, Cooperation and Mutual Aid] Agreement.

It is not just an issue of state leadership, but very special concern should be felt for strengthening the mass base of foreign policy. This can occur by strengthening the struggle against anti-Soviet phenomena, by making actions for a nuclear-free Nordic area and other peace initiatives more effective, and by more activism in the area of international solidarity. For example, the Palestinian people are now struggling under such difficult circumstances that we have reason for serious self-criticism with respect to the insufficiency of support given to the PLO by the workers' movement.

When I referred to the fact that the foreign policy situation has not stabilized, there is reason to emphasize that within the country as well as abroad there are forces which are depending on the hope that there will be a change in our foreign policy position and line. Political pressures for EEC-integration have increased. Finland's entry into the European Council is being deliberated.

Foreign policy has never been outside of controversy and struggle and it is not so now. On the contrary, what is needed now is a stance of struggle even in this area, a Kekkonen-type position of struggle at the government level also. The present situation emphasizes the imperativeness of strengthening the peace movement. We achieved considerable results over the winter. The peace train organized by artists and the petition campaign on behalf of a nuclear-free Nordic zone were positive achievements. Tasks for strengthening the ideological-political base as well as the overall activities of the movement of peace defenders have become ever more demanding.

The Situation in the SKP

[Question] On the other hand, the situation in our party is quite difficult. What does it look like now?

[Answer] The extraordinary congress deepened the party's crisis. Unfortunately, the numerous negotiations have not produced the necessary results for ensuring unity with respect to the party's leadership work. We will be meeting the fall in a rather difficult situation. Since, for example, preparations for the parliamentary elections will place considerable demands on the party, the question of the party's ability to function will indeed become important.

I see at least three important groups of issues, to which a solution should be sought with so-called high-level negotiations as well as with the efforts of the party's organizations and members and even our party's friends.

The question of party policy is essential. And political unity is a very practical matter. A correct, unified policy of action must be found, for example, with respect to budgetary solutions, government and parliamentary policy, labor contracts, and the trade union movement. And this is not just the only or even the primary issue, but a matter of practical action.

The party's antimonopoly struggle will provide a lasting basis for this. Now more than ever there is a need for a definite and concrete Communist alternative to the policy line promoting the interests of the monopolies, which the

government is implementing and to which, for example, it is intended to obligate the SAK [Finnish Confederation of Trade Unions].

Finland has all the conditions for an economic and domestic policy corresponding to the interests of the working people. It is not a question of factors outside of our country's borders, but a question of domestic factors. Even though the most recent recession is capitalism is being felt in our country, last year saw an increase in the quantitative as well as monetary growth of our exports, for example.

Technical development and increased productivity of labor have in their entirety benefited capitalist circles since the large firms are receiving ever greater production results with an ever smaller number of workers and the level of real incomes is not rising. Finland is a country with the largest income differences among the other Nordic countries and is also in the forefront with respect to the rest of Europe even in this area. Thus there are opportunities to improve the people's situation and alleviate unemployment.

Another important factor strengthening unity is a clarification of the party's policy and positions regarding the Soviet Union, socialism, and internationalism in general. This is such a clear issue that it is not even in need of any justification -- the problems are, on the other hand, too tangible.

But organizational unity is also needed. This is the third issue. The basis of this unity can be found in protecting the equality of the party's membership, organizations, and our press. It is in this particular area that the extraordinary congress made decisions that aggravated the situation. They have given rise to expanding pressures to carry out discriminatory and administrative actions such as the attempt to fire the district secretary of Lapland, for example.

Party unity should be based on recognition of the realistic fact that various trends and positions do exist in the party -- for example, the division of the so-called majority faction in Lapland is an indisputable fact. Everyone understands that a discriminatory policy is not the path to resolution. For example, a completely contrary policy should be adopted when one thinks of preparations for the parliamentary election campaign. In order for all this to come about, there is a need for the organization of party leadership work representing the party's organizational rank and file in a correct manner.

Membership's Contribution Most Essential

The membership's own contribution is of essential importance in this very situation in which we are preparing for decisions to be made in the fall. For this reason it is hoped that the petition for party unity, which is being distributed in various parts of the country, will reach as many members and friends of our party as possible.

Fall will begin with many important struggles and points of action. The numerous fall conferences of the district organizations and action campaigns of area and primary organizations will occupy an especially important place

in party work. A whole series of TIEDONANTAJA celebrations is also being planned.

A national TIEDONANTAJA celebration is being planned for 19 September in Helsinki and even before that there will be several other press celebrations. Thus the district organizations of Kymi and Etela-Karjala are planning together on 5 September in Lappenranta a celebration covering Southeast Finland dedicated to the party's anniversary and TIEDONANTAJA. Provincial celebrations will be held on 15 August in the district of Tampere. Thus even in the organizational area we are looking forward to an eventful fall.

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CSO: 3107/149

STALINIST ORGAN HITS SAARINEN COMMENTS ON PARTY IN INTERVIEW

Helsinki TIEDONANTAJA in Finnish 7 Jul 82 p 2

[Editorial: "Interview"]

[Text] The former chairman of the SKP [Finnish Communist Party] became known for copious statements, in which the facts were not always correct. Former Chairman Aarne Saarinen continues with his previous style, and now he has given an interview to the Conservative Party's NYKYPÄIVÄ newspaper. As such there is nothing significant in this. Interviews are given to all kinds of newspapers.

However, this interview gives reason for certain observations. For example, attention is given to the fact that Saarinen does not with one word even mention his final speech at the SKP's extraordinary congress, in which he stated that the CPSU brought a weapon into the SKP's extraordinary congress and thus caused considerable harm to the SKP's meeting. However, there would have been an opportunity to revise his position within the framework of the interview. This Saarinen did not do. Thus his attitude toward the CPSU remains as it was in his final speech at the extraordinary congress. There is reason to take note of this.

Saarinen states that political support of the Communists has declined. However, he is not able to draw any conclusion from this. It is true that when Saarinen assumed the leadership of the SKP, support for the SKP was at a low, and it is, indeed, amazing that it could decline even further. One would think that Saarinen would now at last comprehend the quality of his political leadership, which is perhaps directly proportionate to the development of SKP support.

No one will deny the problems and difficulties connected with Saarinen's term as chairman. But anyone who has read his speeches and followed his public appearances even beginning with the theme of hanging on to the coattails of the Social Democrats, can begin to doubt Saarinen's political abilities. Naturally, one doubts that Saarinen himself was quite hopeful about his own political abilities, even his public appearances frequently pointed to a great statesman, but, unfortunately, the conditions for the emergence of these abilities were quite difficult. This, of course, was unfortunate for the SKP.

Perhaps Saarinen's contribution was also hindered by the fact that he rather willingly attacked "opponents" in the SKP with charm in the tone of his voice, but in a rather insulting manner from the point of view of content. One speech could include as many as ten different kinds of accusatory labels. After their enumeration he usually presented his pacification theme. In itself indicative of a certain cleverness, but, in fact, contributing to the complication of relations among comrades.

Perhaps the most interesting point of Saarinen's interview is, however, the conjuring up of a new party. Unless the "other faction" acquiesces without conditions and submits to discrimination and gives up its demands for changing the direction of party policy, it will have to leave and form a new party. This is generally Saarinen's thinking. This is unfortunate. One would have hoped that for all the mending that he accomplished Saarinen would have placed himself firmly behind the restoration of unity and not the establishment of a new party. But once again Saarinen did not notice the most important demand of this point in time. In politics such an oversight is a serious mistake.

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CSO: 4107/149

CIVIL DEFENSE CHIEF DISCOUNTS EFFECTS FROM LENINGRAD N-BOMB

Helsinki UUSI SUOMI in Finnish 5 Jul 82 pp 6-7

[Interview with First Secretary of the Civil Defense Organization Gunnar Ohman, by UUSI SUOMI; date and place not specified]

[Text] If a nuclear bomb were dropped on Leningrad in a war between the superpowers, what would be its effects on Finland? Would there be complete annihilation of the population of Southern Finland as was indicated in a recent security policy program on television?

"No direct effects would extend all the way to Finland. The distance is sufficient. By direct effects I mean pressure, radiation burns, and the danger of direct radioactivity," answers our country's most well-known civil defense expert, First Secretary Gunnar Ohman of the Civil Defense Organization.

"The danger of fallout is, however, real. In fact, the majority would travel in the other direction according to the prevailing winds so that even this issue must not be exaggerated."

Ohman considers the views presented by the American Daniel Ellsberg, who was interviewed in the television program, to be a definite exaggeration. The civil defense expert does not want to arouse panic, but prefers to talk about the dangers of nuclear war only on the basis of available facts.

Urgency

If the exaggerated statements made on the above-mentioned television program about Finland being subject to the threat of nuclear war are true, without a doubt there should be an exceptional urgency to improve civil defense, particularly with respect to fallout. We cannot be sure that the superpowers will not be forced to the brink of a nuclear attack in certain situations.

[Question] The first secretary of our civil defense system, for his part, pacifies public opinion, a stand which paradoxically would seem to result in the thinking that additional funds and forces are not needed for civil defense. Is this the case?

[Answer] Not at all. The largest and most urgent aspect of our problem is to provide for protection against radiation in rural areas including sparsely populated areas. The situation must be changed right down to the laws.

Inequality

A great inequality prevails in that there are 101 communities with obligations and the remaining communities are completely without any obligations. Thus there is a duplicity of values in our thinking, which is not based on any facts, but only on a formal solution: something had to be done.

The first hope is that the state will accept responsibility for the costs since they are now being borne by local governments, organizations, and individuals. According to my understanding the state's obligation also includes a responsibility for expenses.

[Question] During this heated discussion on nuclear war and peace does civil defense have anything to offer for the politician?

[Answer] Not one politician in Finland so far has aspired to parliament by promoting the issue of civil defense or the protection of human lives. Just imagine if someone included this issue in the forthcoming elections...

Doctors Becoming Involved

[Question] What does a civil defense leader have to say to physicians?

[Answer] Doctors are on the right track by studying all the problems of nuclear warfare -- indeed, they are late in Finland, but better late than never.

In their research doctors must not forget the effects of other types of warfare, chemical warfare, conventional warfare, and so on.

But doctors should not think that the responsibility belongs to them alone. They must not forget the premises of Finland's security policy since even this question is a part of the total picture.

Research on nuclear warfare must not be the sole responsibility of one area of science.

Information for Editors

[Question] And what have you to say to representatives of the media, editors?

[Answer] It is quite appropriate that editors take various points of view into consideration, but they should not deliberately frighten the people and create hysteria based on exaggeration.

And it would also be desirable to point out bright spots -- if such things can be mentioned with respect to such serious issues. Even in this matter Finland's situation is not the gloomiest.

The level of expertise in the public discussion is not yet high. Issues are being treated generally without any familiarity with the actual facts.

And An Emergency Situation?

[Question] Is civil defense just a formality, would the much talked about readiness fail in an actual emergency?

[Answer] Our readiness is not yet sufficient. The worst thing is that the educated and the decisionmakers know what they should do, but the average people do not know. Their safety requires the continuous, systematic dissemination of civil defense information.

Our Civil Defense Compares Well

There are 4.7 million residents in Finland, but at this time there are civil defense facilities for approximately 2.2 million. For that segment of the population that will not have access to shelters emergency procedures and instructions issued by the rescue section of the Interior Ministry are found on the flyleaf of the telephone directory.

Nevertheless, Finland is not behind the times in the area of civil defense according to First Secretary Gunnar Ohman.

We are among the top ten countries as far as the level of civil defense is concerned, perhaps sixth or seventh.

Switzerland is in first place, Sweden second. Then follows a group of countries, which includes Finland: Norway, Denmark, and certain Warsaw Pact countries.

In the event of an emergency Finland would have public shelters for approximately 65 percent of its population as opposed to 90 percent in Switzerland, 85 percent in Sweden, and only 3 percent in West Germany. In essence there are no shelters in France and England.

Thus in Finland there are 101 communities with public shelters and the civil defense in these communities is satisfactory. For example, when buildings exceeding 3,000 cubic meters are built, the civil defense law requires the construction of an adjoining public shelter. This is not required in rural areas, states Ohman.

The first task of the parliament's Civil Defense Committee, established in March 1981, is to improve public shelters for private homes in target communities and in rural areas.

The committee is also deliberating how differences in the readiness of local governments can be eliminated and how the state's share in the cost of civil defense can be increased.

A shelter made of a light structural material can withstand radioactive radiation for a few days and protection in a cave shelter is good for a couple weeks.

Last year authorities began marking public shelters with the international public shelter sign. It consists of a light blue triangle on an orange background. These triangles along with instructions, which indicate the nearest public shelter and civil defense supervisor, have also begun to appear on address signs and plates. It is intended to complete the distribution of these signs by the end of this year.

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CSO: 3107/149

POLITICAL

FRANCE

PCF, SEW STATEMENT ON DISARMAMENT, LEBANON, ISRAEL

LD052236 East Berlin ADN International Service in German 1624 GMT 5 Aug 82

[Text] Paris, 5 Aug (ADN)--The SEW [Socialist Unity Party of West Berlin] and the French Communist Party [PCF] stand resolutely in support of peace, detente, international cooperation and disarmament. This is affirmed in a joint declaration on a meeting in Paris of delegations from both parties under the leadership of SEW chairman Horst Schmitt and Maxime Gremetz, member of the Political Bureau and secretary of the PCF Central Committee.

The delegations "emphasize their absolute rejection of the policy of the arms race. They stress their determination to stand up against nuclear escalation and in support of the reduction of all arms through negotiations on the basis of equality and in the interests of the security of all states." Both parties underscore the great significance of the people's movement for peace and disarmament.

In the declaration the SEW and PCF support the immediate cessation of hostilities in Lebanon and the unconditional withdrawal of the aggressor, Israel, from the country. They express their deep anxiety at the "inhuman actions of Israel against the peoples of Lebanon and Palestine," which are threatened with destruction. The parties refer in this connection [word indistinct] U.S. support for Tel Aviv in its brutal attack.

Both parties confirm once again their unshakable solidarity with the PLO and the national progressive forces of Lebanon. They demand "guarantees for the independence, unity and sovereignty of Lebanon and the realization of the legitimate national rights of the Palestinian people to their own state."

CSO: 3103/622

PACIFIST SOCIALISTS POOL ELECTION LISTS WITH COMMUNISTS

The Hague ANP NEWS BULLETIN in English 26 Jul 82 p 1

[Text] Amsterdam, 26 Jul--The Pacifist Socialist Party (three seats in the second chamber, and growing) decided at a congress here on Saturday to pool lists with the Communists in the September 8 election.

The pooling is purely a technical arrangement which increases the chances of the partners to rake in seats left over after the prorata allocation according to percentages of the poll.

The congress elected by a large majority Mr Fred van der Spek, its present floor leader, to head the party's list of candidates for the third time.

It narrowly defeated a motion criticising Mr Van der Spek for his reluctance to cooperate with other parties of the left.

An unrepentant Mr Van der Spek said in his acceptance speech the Pacifist Socialist should not enter into far-reaching or permanent combinations with other parties.

Bad Apple

He cast out the D'66 party from the progressive fold, saying it had become a rightist party. He criticised the Labour Party for increasing willingness to reach an accord with the Liberal VVD, and the Communist and Radical parties for lacking revolutionary elan.

Mr Van der Spek said his party would rely mainly on extraparliamentary action, such as squatting and demonstrations.

An earlier attempt to pool lists with the Labour, Radical and Communist parties failed because Labour did not wish to cooperate with the Communists and the Radicals wanted to join such a pool only if Labour was in.

CSO: 3120/83

PRIME MINISTER WILLOCH DISCUSSES ECONOMY, U.S. POLICIES

Oslo DAGBLADET in Norwegian 8 Jul 82 p 2

[Article by Arne Finborud: "Total Crisis in a Number of Areas"]

[Text] "The state must prepare for rescue actions in a number of industries which are now in great trouble. In many cases the state also has the responsibility of ownership. A special feature of the situation is that we are now having very great losses on contracts which were entered into before this government came in. But the state can not avoid all responsibility for so many jobs now being in danger, even though the government finds it necessary to show greater restraint with direct support actions than before. The Labor Party said the same thing in its long term government program."

So said Prime Minister Kare Willoch in an interview with DAGBLADET. The big problems of many large firms have left their mark on the recent news, and the prime minister does not deny that he regards the situation very seriously.

"But we still hope that market conditions in the world do not develop so as to cause crisis everywhere. The fact is, however, that in a number of markets there is now total crisis," he said.

"Tell us frankly, what will the government do with Tofte?"

"The state has a 26 percent ownership share in this. We must think about limiting the possible loss to the taxpayers when considering solutions to the crisis."

"Will Tofte continue?"

"It is highly unlikely that an installation such as Tofte will remain idle. There is a great difference between a competition or compromise, and completely stopping the firm."

"And is the government-owned aluminum giant ASV the next rescue operation?"

"We are watching developments there with concern," said Willoch.

Crisis Policies

"Is not the situation in Norwegian industry beginning to look so bad that there is need for an industrial-political crisis settlement with the Labor Party, as has been recommended by Minister of Industry Jens-Halvard Bratz the other day here in this newspaper?"

"We have said that we are in agreement with former cabinet minister Finn Lied's statement on the seriousness of the situation and the need for co-operation. But that was met rather sourly and negatively by the Labor Party. We are seeking contact with the Storting and the cooperating parties as much as the practical circumstances permit. But just now there is no other practical course than for the government to advance the proposals which they consider correct, and try to get them through the Storting.

"But I must say that there has been little that is constructive in the position of the Labor Party during this wage negotiation. And when it came to limiting public expenditures we also met a one-sided negative reaction, although the Labor Party must know that restraint is necessary. The party does not seem to be logical. Politicians who work to underemphasize the importance of moderation are at the same time working against strengthening employment," said Willoch.

Budget Shock

"It appears that you are preparing the Norwegian people for a shock with the budget next fall."

"I do not know if 'shock' is the correct word. But we must be clear that income is declining and expenses are increasing. Our society has subscribed to a number of arrangements and plans which automatically increase expenses. To turn these tendencies around means that a number of interests will be less provided for than expected. But almost all are agreed that this development must be turned around. We can not let the state share of the national product grow to 100 percent."

"The two other bourgeois parties have been brought into the council, and allowed to see the raw numbers for next year's budget. Will it then be a conservative budget, a combined bourgeois budget, or something in between?"

"According to what the party groups have said in general about the contractions, none of them would defend any smaller reductions than those we recommend. But there will of course be protests of the type that individual interests must raise on the side of expenditures. The economic situation would force any government to make considerable savings recommendations."

Price Increases

"The development of prices continues to be troublesome?"

"Yes, and it is closely related to the wage settlement. Developments in food prices are just now primarily the result of the agricultural settlement, which is again the consequence of the wage settlement. Other conditions also contributed to a serious price increase in July, but it will be better in August. In all, price increases will be less than last year."

"So, unlike LO [Labor Union Confederation] and NAF [Norwegian Employers Confederation], the prime minister is not satisfied with this year's wage settlement?"

"Yes, after the price explosion of last year the scene was set for a much worse development than we now have. The wage settlement went better than one could expect. But that does not prevent us from realizing that everything would be better if the wage increases on the average were less. That would have reduced price increases and strengthened our competitive ability and production," said Prime Minister Willoch.

The Government

"The debate on enlargement of the government arose after Erling Norvik's statement at the Young Conservative congress. Are the two other parties welcome inside if they knock on the government's door?"

"There is no change on that point. Norvik has indicated that this issue has several sides. I have also said that. But the conclusion is the same: The arguments which call for a three-party government are the strongest. We continue to believe that. But at the same time I will emphasize that cooperation in the existing form has functioned so well that there is no critical need for changes. But when the time comes, we should move on to other solutions," said Willoch.

About the U.S. and Europe--Recent Events a Challenge

"We can not deny that recent events connected with the gas pipeline from the Soviet Union to West Europe have been a strain on relations between the United States and its allies in Europe. Strong reasons can of course be cited both for and against that gas pipeline, but we should not overemphasize the dependence on the Soviets which results. However, that train has left the station, speaking politically. The decision on the pipeline has been made, and attention should now be focused on steps which in the future can increase energy-political independence both from the Soviets and others," said Willoch.

"And will this happen with Norwegian gas to Western Europe?"

"Norway is favorably inclined toward expanding the gas fields which increase supplies to Western Europe. And we must not forget that we are strongly interested in selling gas for future deliveries. And it would not be unreasonable if we also acknowledge Europe's requirement for greater independence of energy from others, so that our friends can not be subjected to improper pressure from anyone."

Reagan

"Were you surprised at Reagan's statement?"

"Yes, I was also, but reactions have been exaggerated. In my opinion it was not intended as a direct attack against Norway, but here in Europe there is a tendency to interpret American statements in an unnecessarily excited way. A little more control on both sides could strengthen solidarity. I see nothing remarkable in the United States getting involved in the question of gas deliveries from the Soviet Union--even if one could object to the format. There has, after all, been no foreign policy pressure from the United States against Norway in that connection, nor from others. Personally I was in on these questions, both during the NATO meeting in Bonn and in conversations with the German Chancellor Schmidt, and with leading conservative and christian democratic politicians from a number of other countries in Paris recently. Our positions caused no serious political problems for anyone."

Danger Signals

"But there are a number of danger signals for cooperation across the Atlantic?"

"Reactions can be both natural and necessary. Europe should not react in a way which damages our own security interests. Europe has still not conducted itself so that we have any chance without security policy support from the United States. To say that we cooperate with the United States for the sake of the Americans is to stand the truth on its head. I would prefer that such dramatizations of lack of unity across the Atlantic be discontinued," said Kare Willoch.

About Israel--Impediment to Sympathy

"It is well known that the government has reacted against Israel's war-making. There is no reason not to recognize that. I do not think that we will be blind to the fact that sympathy of the Norwegian people for Israel's cause will be impeded by the events that we have seen. But I hope that that will not diminish the commitment to Israel's right to exist," said Prime Minister Kare Willoch, and added that it is not news that he himself--despite general sympathy for Israel--has been critical of certain aspects of Israeli policy. For example he believes that the settlement policies on the

West Bank and the demonstrative positions on Jerusalem and the Golan questions have been causes of great concern.

"On the other hand one must emphasize the positive side of Israel's withdrawal from the Sinai," he said.

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CSO: 3108/138

LABOR PARTY SECRETARY DISCUSSES STRATEGY TO REGAIN POWER

Oslo ARBEIDERBLADET in Norwegian 23 Jul 82 p 6

[Article by Thor Viksveen: "Labor Party Goal Is 40 Percent of the Votes"]

[Text] Ivar Leveraas will be reelected as secretary of the Labor Party [DNA] at the congress next year. The goal must be to get over 40 percent of the votes in the municipal elections. It will be unbelievably difficult to recapture Oslo. Life in the opposition has inspired new organizational work. These are some of the viewpoints that the secretary of DNA aired in this interview.

Election campaign. Strange words in summer Norway, even for politicians. We are writing in the summer of 1982 and it is still more than a year until the campaign is underway again. DNA secretary Ivar Leveraas is, however, using July to work on the municipal election campaign for 1983.

"It is a realistic goal for DNA to win 40 percent of the votes next fall. That would be a significant improvement over the municipal election of 1979 (35.9 percent). We know what positions DNA must win. We must win back a majority in the counties of Ostfold, Buskerud, Telemark, Nordland and Troms. It is also important for us to retain a majority in Trondheim and to capture a majority in Drammen and Skien."

"What about Oslo?"

"It would require an unbelievable effort to succeed. It is not impossible, but it will be difficult."

Leadership

At erratic intervals speculation has arisen about how long Leveraas will remain secretary of DNA. Talking to ARBEIDERBLADET, he eliminated any doubt that he is ready for a new term when the congress assembles next spring. "I will be reluctant when first asked. I can see no reason why I should not be reelected."

With that statement it is clear that the party is going to the congress for the first time in many years without any personnel questions. Ever since 1975, when Reiulf Steen and Odvar Nordli shared the chairman and prime minister roles, the seas have run high around the DNA leadership at the congress.

Both Gro Harlem Brundtland and Einar Forde want new terms as chairman and vice chairman, and now when Leveraas also says yes to continuing, the congress of 1983 will take place in a different atmosphere than has been the case in recent years.

Main Features

Leveraas will therefore have the responsibility for leading the party apparatus in the election campaign. He will say what he believes to be the main political features of the campaign.

"It will be marked by national political issues which are important for localities. I am thinking about employment, where the increasing unemployment will make an ever-increasing mark on localities. Housing policy will also be central, because through the winter and spring people will begin to see the great drawbacks resulting from the government's policies in this area. Previously they have only applied to those who have a dwelling. Soon there will be consequences for those who have no place to live.

"I believe that in next year's election campaign we will experience a much more submissive Conservative Party, in which enthusiasm and commitment from the many who formed the foundation for the victory last year will be much more modest."

Organization

"Steadily more in the DNA are speaking of the need to strengthen the organizational apparatus. That must please a party secretary?"

"Yes, very much. When a party has had government power for so many years as our party has, it is entirely natural that the political center of gravity is there. It has not been possible to give everything a satisfactory party treatment, and that naturally led to many party members feeling left out. Life in the opposition gives us a much better opportunity to draw all members in on decisions," said Leveraas, who lists a large number of different activities which are now underway or being prepared.

"We are preparing for a powerful arming of the organization," he said.

"So life in the opposition has been good for something?"

"We must honestly recognize that we would not have the same understanding of the importance of organizational work if we still had government power. No one is to be reproached because the situation was that way. It should just be admitted as a fact."

Recruiting

"We have the ambition to again be Norway's largest member party. The goal is 200,000 members in 1985. We are on the way. The goal for 1982 is 17,000 new members. In under 6 months we have over 8,000 of them."

"Is it correct to say that life in the opposition has given time for consolidation which many thought was necessary at the end of the long government years?"

"Yes, largely so, but I do not want to be interpreted as saying that life in the opposition is better than in the government position. We have used the time since the election last fall to good advantage. DNA is, however, a large machine, and it takes time to get it going under new conditions."

Youth

"What is DNA's weakest side at the moment?"

"The same as it has been in recent years. We have problems with bringing youths in. We have not succeeded in gaining the contact that we had with the young at the end of the 1960's. The EC struggle meant a dramatic separation in our support. I believe that we now in the opposition will have greater possibilities to regain lost trenches."

"And finally, the party's strong side?"

"That we have credibility with the people in central political questions such as full employment and social security. In addition we have long had the issues which are tied to peace and disarmament locked up, without being opportunistic," said Leveraas.

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GRO HARLEM BRUNDTLAND ANALYZED AS OPPOSITION LEADER

Oslo DAGBLADET in Norwegian 8 Jul 82 p 2

[Article by Havard Narum, political editor of DAGSNYTT: "Gro As Leader of the Opposition"]

[Text] Last week we asked a number of persons how well Kare Willoch has done his job as prime minister during his first "Storting year." This week we are putting the opposition leader, Gro Harlem Brundtland, under the microscope and asking whether she has done her job well.

"Was Gro a fortunate solution to the Labor Party Leadership crisis?"

"Yes, she was the best solution."

"Could anyone in the Labor Party have done it better?"

"It was right that Gro was chosen. The question is therefore uninteresting."

"Would she have been judged otherwise as a politician if she were a man?"

"Unfortunately I am afraid that some want to do that."

"What are her strong points?"

"Colossal energy and ability to work. She has the ability to get started on things in a rather short time."

"What are her weak points?"

"Too much temperament in individual situations. Even though she is clever at listening to people, it does not always show in her political work."

"Has she made any blunders?"

"All politicians make blunders from time to time. Her conduct toward the end of the Reksten debate indicated that she was too preoccupied with responding to Willoch on matters which had little to do with the affair, instead of explaining Labor Party strategy."

"Has she any outstanding acts?"

"I do not like the expression 'outstanding acts' used about politicians."

"Did she succeed in stemming the Willoch tide?"

"No, but that is not an easy task."

"Is her criticism of the Conservative Party government consistent?"

"Certainly not. Even the best politicians have big problems with always being consistent."

"Will she be prime minister again?"

"If the Labor Party wins the election in '85 she has a good chance at it."

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CSO: 3108/138

EMERGING SOCIALIST LEFT REVISIONIST WING POLARIZING PARTY

Oslo DAGBLADET in Norwegian 8 Jul 82 p 2

[Article by Ivar Hippe: "Socialist Left Party On the Track Again?"]

[Text] The Socialist Left Party [SV] wants to get on the political track. For the first time in the party's short political life the leaders have spoken out and explained what many have suspected. Now they are seeking a binding alliance with the Labor Party before the election of 1985.

The revisionist party which wants to reform Norwegian society here and now in a socialist direction by gaining power positions is on the way to getting a firmer foundation.

So the party has reached a settlement with its self-attached hindrance. Party leader Berge Furre's statement means that they will no longer allow themselves to be frightened by the fear of being chewed up by their inheritance from SF [Socialist People's Party]. A step in the direction of reform need no longer be followed by crippling discussions, more or less controlled by dogmatists on the far left wing of the party.

Neither should they tolerate KLASSEKAMPEN hovering over socialist cooperation with "a party which removed socialism from its foundations at the congress of 1981." Perhaps it did not cause great concern that the pygmies on the far left wing chose to watch over their own excellence in their own Maoist glass house.

Party leader Furre and his colleagues in the party look with greater unease on the clear criticism which is being expressed in the party organ NY TID. There the articles from the different wings fight for space. Recently there was Finn Gustavsen's interview with the SV vice chairman in the Fet municipality. "We have long held combined group meetings," said Arne Pettersen, who was unanimously appointed to the job of vice chairman by the Labor Party group. His political credo is expressed in this way: It is better to get 15-20 percent of the policies approved than none of them.

On the other side we find those who think that there can be no binding alliance with a bourgeois party. Briefly, they think that the Labor Party is little different from the Conservative Party in their policies. It was not the Conservatives who began to cut the welfare state, but the Labor Party. Or as another NY TID journalist put it: It is good news that the speaker at the funeral service did not participate in the pall bearing, he wanted the patient to arise--but unfortunately too late. (Jan Otto Hauge, NY TID nr. 24).

This is the way the sharp edges still rule, fully a month after Furre's statement, while the enemy, consisting of some in the Labor Party, is administering to the needs of the main force. This viewpoint is held primarily by forces within the socialist youth organization and coworkers in the party's union committees, especially in Oslo.

The party leadership of Berge Furre, vice chairman Torbjorn Dahl and Hilde Bojer and NY TID editor Steinar Hansson will now try to prevent these outer groups from getting support from the many activists within the women's movement, the environmentalists, and the party apparatus which look with great suspicion on the Labor Party.

In the center of the discussion is the old fight about extra-parliamentary versus political struggle in the Storting, county and city councils. SV's dilemma today is that the ones who want the alliance say that it is not necessary to have the right beliefs so long as one has the power to carry them out. They also emphasize that the friendly voters often see SV as a demagogic party without the possibility of carrying out its good ideas.

An explanation of the Furre statement must come in good time before the 1985 election. And even in a party with a tradition of salting each other's sores, it should give time enough to come forward to an inner agreement on election strategy without the tilt to the left becoming too great. Therein the possibility is open that SV can become something more than a modest reprimand to big brother Labor Party by forming a practical policy which will stand in socialistic relief to social democracy.

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CSO: 3108/138

PAPER LOOKS AT LIKELY SUCCESSORS TO SOCIALIST LEFT'S FURRE

Oslo DAGBLADET in Norwegian 4 Jul 82 p 2

[Article: "Furre On the Way Out? SV Seeking New Chairman"]

[Text] Central groups within the Socialist Left Party [SV] have for almost a year been on the lookout for a person who can take over the job of chairman after Berge Furre. DAGBLADET has learned that the hottest name in the debate is local politician Per Eggum Mauseth, and the next is Hilde Bojer. It is also said that Hanna Kvanmo can be drawn in at the end.

Berge Furre concluded SV's previous congress by saying that this was the last 2-year period that he would sit, and that the party must be ready to find a new chairman at the congress in March 1983.

"I am now deciding whether I will continue. I will give my final answer to the nominating committee in the fall," said Berge Furre to DAGBLADET. He emphasized that he has the confidence of the party.

Dissatisfaction

DAGBLADET has learned, however, that there is a certain dissatisfaction with Furre's leadership of the party among groups which are close to him politically. This was also confirmed by Per Eggum Mauseth to DAGBLADET: "As for those who want a change, I believe that it is more a matter of form than of different political opinions. They want more outwardly aimed and active policies."

This agrees closely with information that DAGBLADET has. According to this there are strong forces within SV who believe that Furre's conduct toward the party is at the expense of contact with the rest of the community.

Inquired

Local politician Mauseth, who has a long political career behind him, and among other things had 4 years as group secretary for SV in the Storting,

told DAGBLADET that he was asked by many individuals if he would stand as candidate for chairman.

"Experience in national politics has given me both joy and unhappiness. I believe that we are faced with many interesting tasks in local politics. And if SV wishes it, I will willingly take a new term in the city council. My level of ambition goes only that far."

Not Considering

"I was asked 3-4 years ago if I would stand as the new chairman. I have always answered that I believe Berge Furre is doing a good job. I am not considering being chairman of SV," said Per Eggum Mauseth, who said that Berge Furre still has much to do in Norwegian politics.

The second leader in SV, Hilde Bojer, told DAGBLADET that she would not comment on the matter yet: "Since there has not been any decision in the party about whether Berge Furre will go or not, I will not answer the question of whether I would stand as candidate for chairman at the congress in 1983," said Hilde Bojer.

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CSO: 3108/138

FORDE SEES DECLINE IN LABOR 'SOLIDARITY' HURTING PARTY

Oslo DAGBLADET in Norwegian 17 Jul 82 p 4

[Interview with Einar Forde, chairman of the Labor Party, by Hans Fredrik Dahl; date and place not specified]

[Text] [Question] Election researcher Henry Valen has found that since the 1950's steadily fewer workers have wanted to count themselves as members of the working class. And those who still do steadily show less of a tendency to vote for a socialist party. Historian Edvard Bull says that the old solidarity in the labor movement is falling apart because the party is no longer practicing class unity as an idea. Everyone has an opinion on the crisis in the labor movement and the solidarity which is fading. What does the leader of the Labor Party's head organization say, Einar Forde?

[Answer] "Solidarity" is a large word. Perhaps a little too large, as a concept. Nevertheless we are coming around it. The great tug-of-war of our time is between the collective and the privately owned, between joint ownership solutions and private arrangements. The difficulty is that it is difficult to sell solidarity, to travel around and offer it for sale like another preacher. People--many people--do not want that. So what do we do?

For my own part I have decided that the question of self-interest: Will I profit from solidarity? is a legitimate question. The point of departure for the labor movement--and it is indeed we who introduced the concept--was solidarity as a means to advance one's own interests. Solidarity was necessary before. It must be necessary again.

[Question] But solidarity was previously a purely class solidarity, it was them and us, and solidarity applied only to us.

[Answer] That is right enough. But I will remind you of another tradition which also originated in the labor movement: community solidarity, such as Koht saw it. There is powerful food for thought here, I recently read some Koht texts which struck me as very current. I believe in this community solidarity, I must. In any case when I see how far we have gone in an entirely different direction, namely toward a group solidarity where all the

groups demand most for themselves and the solidarity concept is totally diluted. That is terrible. Sometimes one feels himself back in time before 1870.

[Question] But can you sell community solidarity?

[Answer] We must not underestimate the appeal of collective solutions. No one can solve his own employment problem, for example. With today's youths we can clearly see that the collective ideas are winning followers. But they must be useful to succeed. What use is the subway if old ladies do not dare to use it after 5 pm?

[Question] What are the solidarity thoughts in the Labor Party now?

[Answer] Previously it was the work which brought solidarity, working plans which gave focus to the belief in solidarity. We have a great problem now in that we no longer dominate the work places which are growing fastest. We have lost in worker collectivity, in a way. That is our greatest challenge.

[Question] Edvard Bull said that is the bureaucratization of the movement which killed the human aspects of solidarity?

[Answer] Yes, there is something to that. But the problem goes farther back, really. It deals with something fundamentally individualistic in large sections of the Norwegian people. In my home district, for example, the way of life and dwelling is so individualistic that solidarity behavior meets a limit. Christoffer Hornsrud saw that clearly when the Labor Party developed its agriculture program 80 years ago. Personally I believe that we must go the way of the party, rebuild the party, which has suffered under the extensive Storting and government work during the past 10 years. Without the party as salvation you are politically helpless: that is an insight that we must laboriously plant in the new generation. The more I see of politics the more convinced I am of the necessity of the party. I have the responsibility for the party now, and am willing to make a certain defense of Lenin: We must have the ability to deal collectively. It is good that the old democratic centralism no longer works; the mass media, among others, has taken care of that. "Discussion inside, unity outside" is no longer possible. But I believe in the party as the instrument for collective solutions. Everyone knows that individual solutions can be more profitable, for example in housing policy. I will defend the party line here, the dogmatics of our housing policy, against the tempests opposing our collective solutions. I am afraid they are coming today largely from the labor movement.

[Question] Yes, the labor movement. Is that today anything other than group solidarity?

[Answer] On the organizational plane it is LO and the combined organizations which carry solidarity. It is now time to strengthen these organs at the

expense of the unions. There are steadily more and smaller unions--The Norwegian Theater Prompter's Union, with 13 members, is a sign of the times.

[Question] And how will you sell solidarity to the union members?

[Answer] The hope is the increasing understanding that the members' interests extend not only to pay, but also technology, training and other things where employers have previously been by far too clever to emphasize. If the labor movement defines itself more broadly, collectivity will be strengthened.

[Question] Why does organized labor have so little solidarity today?

[Answer] The solidarity idea is weak in many places locally, because no one has taken the trouble to keep it alive. It is a question of a message, so I will be a lay preacher and give the message again and again. Martin Tranmael was a bit of an ideologist in that connection. He went around the country and gave people ideas to believe in. That surprises many today, who think that Tranmael only dealt with agitation. There is a market for that type of ideas today, there is a need for people who can act like a preacher and in a meeting hall draw out new and unknown qualities in himself. To find a talent for manuscripts, speeches and things for the labor movement. But that is too boring for today, it would not work. In the new areas today they must learn solidarity from the bottom up.

[Question] The lack of solidarity, where do you find it the most obtrusive if you look outside the labor movement?

[Answer] In our lack of ability to conduct an economic policy. Here we are simply lacking a collective intellect, the institutions are troubled by group solidarity and the resolve comes later. I agree with Skanland that we have a crisis of resolve.

Here I must say a little about economic growth. It is perhaps true that growth is a requirement for solidarity. That can seem paradoxical, since zero growth has been launched as an emphatic solidarity idea. These latest months I have been more of a friend of growth. It has been during the negotiation of the two latest national budgets, when no growth has been possible, that the storm against the collective solutions has blown hardest. It is difficult to practice solidarity if we do not have a little growth to distribute.

[Question] What is your strategy for the Labor Party now?

[Answer] We have time to think about it. We will charge our battery, bring in new people, use the good advice of the thinking people that we have to prepare us to take over control of the society again. There are certain

promising signs. AUF [Labor Party Youth Organization] is growing. It is not unrealistic that they may take over the Norwegian Secondary School Students Association, an organization in which several years ago we could not muster a single delegate. In general, youths of 18-19 are more open to our ideas than the hopeless middle generation. Finally: the struggle against nuclear weapons is a terribly essential thing in that connection. It mobilizes consciousness of collective responsibility and combined destiny. It is certainly no simple thing today which causes such anti-individualistic feelings as that.

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CSO: 3108/139

LABOR UNION ESTABLISHING CLOSER TIES WITH PLO

Oslo ARBEIDERBLADET in Norwegian 16 Jul 82 p 8

[Article by Harald Stanghelle: "Increased Contact Between LO and PLO"]

[Text] "We in the Palestinian labor union are thankful for the support we have received from LO [Norwegian Federation of Trade Unions]. Here in Oslo we have discussed widening contact with LO, and it has been decided that a delegation from Norway will be the labor union's guests in the Middle East this fall."

This was said by Khaled Abd el-Ghani, vice chairman of the Palestinian labor union at a press conference in Oslo yesterday. Ghani is in Norway at the invitation of the Norwegian Chemical Workers Union, and on Wednesday he had conversations with Tor Halvorsen, chairman of LO; Leif Haraldseth, vice chairman; and Thorvald Stoltenberg, international secretary.

At the meeting there were discussions of how LO could support the Palestinian labor movement. Previously LO took a position apart from the Israeli invasion, and at the meeting of the first secretaries after vacation it will be decided how to go forward on the labor movement side.

"We are now in a situation where we need all the help we can get, and most of all we need political support. The future of the Palestinians is being decided by opinion in Europe and the United States, and not in the Middle East," said Ghani. "Therefore our contacts with the leaders of the labor movement are very important."

To the question of how the Palestinian labor union looked at the traditional good relations between LO and the Israeli labor movement Histadrut, Ghani said, "Obviously we hope that LO, through its contacts with Histadrut, will put pressure on Israel, but we have made it entirely clear that we are not getting involved in whom LO wishes to have contact with. We have made it clear that that is LO's own business. What is important for us is that LO has clearly said that they support the PLO and regard us as the representatives of the Palestinians."

The Palestinian labor union now has contact with a number of European labor organizations, and at the LO congress last year setting up contact with the PLO was approved.

"Today the Norwegian LO is the Scandinavian labor organization that we have our best contact with," said Khaled Abd el-Ghani.

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CSO: 3108/139

POLL REGISTERS LARGE DECLINE IN SUPPORT FOR CENTER PARTY

Oslo AFTENPOSTEN in Norwegian 24 Jul 82 p 3

[Article by Arild Isegg: "Center Party Shrinks Drastically"]

[Text] Stability and small changes mark the June figures from Norges Markedsdata [Gallup Poll]. The exception was the Center Party, which dropped way down to 5.9 percent, the lowest figure for the year. The low figure will lead to self-searching and will give rise to new inner clashes about the causes of the setback and how it can be reversed.

The conclusions which can be drawn from the figures from Norges Markedsdata are ominous for the Center Party. During the last couple of years the party has been able to hold itself on the right side of 6, a couple of times even over 7, but usually not moving in the right direction. The June measurement marks a new "breakthrough" in the wrong direction: from 6.7 percent the month before to 5.9 percent. The Center Party is in danger of going to the bottom with the small parties, the Progressive Party, the Socialist Left Party and the Liberal Party. Another bad sign for the party is that it is practically eliminated in the capital.

It seems obvious that emphasis on its distinctive character has not brought the party success. It is just as certain that critics in and outside the party will try to explain the setback by the party's willingness to cooperate with the Conservatives, and use that as an argument against the party going into a coalition government. But it is certain that there is no other way for the Center Party at this moment when the Christian People's Party is ready for such cooperation. Equally undoubted is the party's chance of any influence.

Norges Markedsdata carried out the poll during the period 15 June-9 July. The results are as follows, with the May figures in parentheses:

Red Election Alliance:	0.6	(0.8)
Labor Party:	39.7	(40.5)
Communist Party:	0.3	(0.1)
Socialist Left Party:	4.6	(5.0)
Progressive Party:	5.6	(5.4)
Liberal People's Party:	0.4	(0.2)
Conservative Party:	29.2	(29.0)
Christian People's Party:	9.1	(8.5)
Center Party:	5.9	(6.7)
Liberal Party:	4.4	(3.7)

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LABOR PARTY PANEL EXAMINES PROBLEMS, GOALS FOR PARTY

Oslo ARBEIDERBLADET in Norwegian 5 Jul 82 p 7

[Article by Petter Nome: "The Labor Party Needs Renewal!"]

[Text] Who has the miracle cure which can put Norway back on its feet again? According to the Summer Panel the Labor Party lacks the essential ingredients of the mixture. The unanimous conclusion of the panel was, "The party needs renewal, a firm and coherent policy which is suitable for depression times." Otherwise the opposition gets growing testimonials from Bakke, Hillestad Thune and Hompland.

The Labor Party Summer Panel consisted of: Gro Hillestad Thune, attorney and chairman of the Consumer Council; Egil Bakke, Director of The Federation of Norwegian Industries; and Andreas Hompland, social scientist and freelance writer.

Think New Thoughts, Use Self-Criticism

"The Labor Party needs renewal, creativity and new thought. There was never time for that when the party was in government. But the Labor Party is not doing a bad job in the opposition--and they seem to be doing no worse than the Conservatives did." So said Gro Hillestad Thune.

Exaggeration

"It is claimed that the opposition is bitter. If so, it is because the conservative government is using so much time demonstrating its own program and turning things upside down over little issues which are finally approved. Although there are certain examples of the opposition exaggerating too. The Reksten affair is one of them," said Gro Hillestad Thune.

Renewal

"But will the Labor Party be able to renew itself? That is the most important question now," she said.

"When the party had the responsibility of the government it spent all of its time on current problems. For that reason it is important that the Labor Party now dares to undertake a decent reassignment of priorities," said Hillestad Thune. "A new distribution policy which will not cost more money, but which will be to the advantage of the weakest groups."

Can We Afford It?

"The Labor Party must also look with a critical eye at the actions which the party itself has accomplished. Many reforms were exceedingly important, but are they all just as appropriate today? And can we afford them?

"The health insurance system is an example of an arrangement which has become all too complicated--and expensive--to carry out.

"The world is really changing," said Hillestad Thune. "But it is a weakness of our system that we seldom or never investigate how the reforms are operating some time after they are approved.

"The main program of the Labor Party is a good point of departure for creating a future policy. Now it must be converted into concrete actions..."

'Sandpiper Disagreeing With Itself'

In the words of Egil Bakke, "The Labor Party has become like the sandpiper. It fights for the old, beautiful issues, without realizing that the world has changed. The Labor Party wants to be a 'responsible opposition.' At the same time it is continuously moulting. It has obviously become a matter of principle to disagree with everything that the Conservatives recommend.

"In reality the Labor and Conservative Parties are in agreement on most things. The parties should go together in a great coalition." Egil Bakke is director of The Federation of Norwegian Industries, and an active local politician. For whom? For the Labor Party, of course.

Trifles

"If the Labor Party were sitting in the government, they would be forced to do about the same as Willoch is doing today," said Bakke.

"Now the party is throwing away time on trifles, because of the need to be different.

"When both parties emphasize that it is their main objective to limit the growth of the public sector, why do they not come together and make sure that that objective is attained?" asked Bakke.

Conservatives Just As Bad

"Were the Conservatives much better when they were in the opposition?"

"In no way. My criticism is directed against Norwegian politics in general. The special thing about the Labor Party is that they never gather the courage to go full tilt at the problems, as the Conservative Party is obviously trying to do. They sample them, and turn aside.

"The Labor Party has not realized that the solutions which were suitable in the 40's, 50's and 60's are finished. We can not keep pouring in new initiatives, hiring more new people and appointing still more decision-making authorities in the departments. The system then begins to fight itself."

The Conservatives Understand Better

"This is understood better by the Conservative Party, at the same time as the party in many other areas has the same position as Einar Gerhardsen's Labor Party had. The voters clearly understand this. Because even if they have changed parties, they have hardly changed their opinions," said Egil Bakke. He believes that the Labor Party has become the party of the special interest organizations.

"Where is the party of the average man and woman?"

Sworn

But even Bakke sees small bright lights:

"AUF [Labor Party Youth Organization] recently recommended some small changes in the working conditions law. It was seen that the law excluded some youths from working life. Not a big issue, but exceedingly important none-the less. I lack the will to fight for the issue--but I am sworn to support the remedy.

"In the long-range program the Labor Party is showing the will to come out of this straitjacket. But the party is obviously fighting with itself. Many clearly believe that talking nonsense is the same as thinking new political thoughts.

Wade in the Same Bog

"The Labor Party is wading around in the same old bog. At the top they turn around toward the bog. Or else changed shoes for boots." With this simile Andreas Hompland described the Labor Party's change from government to opposition.

"The party still stands out as the 'party of the state'," said Hompland. "While the Conservatives have understood the clear, sensible, popular

reaction against all possible complexity which affects the individual, the Labor Party continues as the institutionalized protector of an infinite number of laws and regulations.

"I do not believe that the Conservatives will turn about to the advantage of the people. But they have succeeded with their rhetoric. They have got the voters to buy their snake oil against problems which are entirely real," said Hompland.

Opposition Against Themselves

"At the same time the Labor Party has come to open opposition against itself as the political 'distribution machine.' They will weigh the interests of the people against each other, and pay attention to weak groups. But no new solidarity or distribution policy is possible if the party is to keep its alliance with the strong groups in the labor movement.

"Now it is obviously automatic that all demands from the labor movement are just--because they are demands.

"The Einar Forde-Gudmund Hernaes idea is good: If everyone sits down at the Bislet, they will all see much better. In principle, the Labor Party shows the will to think along such lines. It is therefore surprising that this has not come through more in the policies and debates of the party."

Dialectic

"Otherwise the Labor Party's opposition role is less dependent on what the Conservatives say and do," said Hompland. "Two large people's parties trying to cover all the bases for the majority of voters will necessarily come out rather even.

"But every standpoint seeks out its own opposite. One must pour on a little spice in order to remain distant from his 'opposite.' But that is not enough if the Labor Party is to recapture the government for any reason other than that the voters are tired of the Conservatives."

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CSO: 3108/137

LABOR PARTY FOREIGN AFFAIRS SPOKESMAN FAULTS GOVERNMENT

Oslo ARBEIDERBLADET in Norwegian 13 Jul 82 p 6

[Article by Terje Iversen: "Passive Foreign Policy"]

[Text] "Passivity and lack of future perspective have stamped Norwegian foreign policy since the Willoch government took over," said the vice chairman of the Storting Foreign Affairs Committee, Guttorm Hansen (Labor Party), after one year of conservative foreign policy twisting.

He said that the government's foreign policy line at the beginning was rather unclear.

"What first marked the political leadership in the Foreign Ministry was lack of clarity, uncertainty and a tendency to await the reactions of others. It has accordingly shown a foreign policy with very few future perspectives and little enterprise. Norway's voice in the international orchestra is now pitched very low, and our foreign policy more and more shows that we are a small craft in tow," said Guttorm Hansen.

Turkey Affair

He said that the Turkey affair, the disarmament question and the nuclear weapon discussion have been the most important issues for the Labor Party members of the committee this past year.

"On the Turkey affair we pressed the government hard the entire time, and it is now finally decided to raise the issue with the Turkey regime. On the disarmament question it is clearly reluctance and inflexibility in the foreign affairs leadership. The statement on disarmament and security which has now been presented shows thinking which is devoid of perspective," said the vice chairman of the Foreign Affairs Committee.

New Nuclear Policy

He said that during the last debate on foreign policy the Labor Party advanced a recommendation that the government should take up NATO's nuclear strategy for a new evaluation.

"That was an important issue which met unwillingness from the government side, but which we will press forward. As it deals with a Nordic nuclear free zone it is now rejected by the government. It will be brought up again by the Labor Party," promised Guttorm Hansen.

FALLDIN PRESENTS CENTER PARTY CAMPAIGN PLATFORM ON ECONOMY

Stockholm DAGENS NYHETER IN Swedish 14 Jul 82 p 7

[Article by Kaa Eneberg]

[Text] "Almost a guarantee" of a job or training for young people up to 21 years old. This is what Center Party leader Thorbjorn Falldin promised on Tuesday when he presented the Center Party campaign platform with its emphasis on employment and the economy.

Thorbjorn Falldin said that "the ball now is in the court of the parties in the labor market" to solve the problem of creating special jobs for young people in the critical age groups of 18 to 21 years. The government has stated its willingness to provide special state subsidies for the new jobs. The parties involved in the labor market are negotiating feverishly to reach agreement on these jobs.

"Through a combination of efforts by the government and the labor market we will come extremely close to a guarantee," Falldin said at a press conference at the Parliament Building.

Peace March

The prime minister took the opportunity to send a cautious warning to the participants in the peace march to Minsk. He stressed that they should not allow themselves to be used for propaganda purposes. He called on them to remember that the march was taking place under strictly limited conditions with only approved slogans and limited freedom of movement.

He also made clear that Sweden intended to make no concessions in the negotiations with the Russians over the fishing boundaries.

"Sweden always has maintained that the boundary goes between Gotland and the Soviet Union and no concessions will be made," the prime minister said. The Russians want to draw the boundary between the Soviet Union and the Swedish mainland.

Joint Government

In his presentation of the Center Party campaign platform entitled "Community in which Everyone is Needed," Falldin stressed that both the coalition parties were presenting their own election platforms independently. Nevertheless, he said that the joint government had proven that the two parties could reach agreement on issues over which their opinions differed.

Falldin said that if the Center Party had been in the majority, nuclear power would be phased out before the year 2010, as in present plans. In addition, child care allowances would have been increased.

He also emphasized the strong opposition of the Center Party to the reprocessing of spent nuclear fuel and to uranium mining in Sweden, as well as the export of nuclear technology.

"Full employment is our most important goal," said Falldin who was flanked by both vice-chairmen, Social Welfare Minister Karin Soder and Olof Johansson, as well as party secretary Allan Pettersson.

Social Cutbacks

He flatly refused to promise a certain number of jobs. He merely promised that increased support for the Center Party would increase the chances of stable economic development, which is a prerequisite for creating jobs.

He pointed out that the government, which has been accused of "social cutbacks" by the opposition, has increased the number of jobs by 135,000 since 1976 by helping the most helpless groups of society--the most vulnerable pensioners, the handicapped, and families with children.

He referred to words of praise from the leaders of other Western governments, for example Helmut Schmidt of West Germany, who stated that the Swedish government had managed to hold unemployment in check.

"But unemployment remains a problem and the goal will not be reached until everyone has a job," Falldin said.

The battle against the Social Democrats' wage-earner funds is one of the key issues in the campaign strategy of the Center Party. The funds are dismissed as a socialistic experiment.

Falldin did not wish to discuss the outcome of the elections, but he warned against "elevating various opinion polls to the status of scientific truth."

The election prognosis recently published in DAGENS NYHETER predicted a socialist election victory and a serious setback for the Center Party.

MODERATE PARTY HAS OVERTAKEN CENTER PARTY IN URBAN AREAS

Stockholm 7 DAGAR in Swedish 9 Jul 82 pp 12-14

[Article by Mats Gezelius]

[Text] When the Center Party was on the rise, the party gained the support of nonsocialist voters not affiliated with any particular party. Success, itself, attracted these groups. Now the tide has turned. Conservative Party success is attracting Center Party voters. In the metropolitan areas, the Center Party has lost two thirds of its voters.

"Damned farmers, what are you doing here in the city?" The words of abuse rained down over Center Party members who distributed ballots for their party in the mid-sixties outside polling places in Stockholm.

"At home in Stockholm I hardly dared tell anyone that I belonged to the Agrarian Party," said Karin Andersson, the daughter of a small farmer who moved to Stockholm, in a recent interview. "It was a difficult time."

The tide turned. In 1966 Karin Andersson took a position at City Hall in Stockholm. In 1971 she entered parliament and now she is in the Government Office Building in charge of immigration and equal opportunity problems.

From 1 or 2 percent of the votes during the sixties, and several city council seats by the grace of the Liberal Party with which it cooperated in elections, the Center Party made rapid strides. Election victory after election victory. Decentralization, environment, automobile-free areas, and neighborhood councils were some of the concepts that rapidly became part of the political vocabulary:

The high point came with the nonsocialist election victory in 1976. In Stockholm the Center Party received 15 percent of the votes. In Goteborg even a larger percentage of the voters backed the old Agrarian Party. In the Malme district, the party received over 20 percent and became the largest nonsocialist party.

Today--depending on whether one believes the most recent SIFO survey or the IMU (Institute for Market Research) survey that appeared last Sunday--the Center Party has 11.5 or 12 percent of the voter support.

Rural Party

This means that the Center Party has lost half of its voters throughout the country. In the large cities the trend has been even more dramatic. The SIFO figures, which like the IMU figures were published last Sunday, show that the Center Party in Stockholm, Goteborg, and Malmo has lost two thirds of its newly recruited urban voters.

After vying with the "big-city party," the Conservative Party, for first place among the nonsocialist parties, even in the cities, the Center Party again has become a party for the rural population and daughters of small farmers who have moved to the city. In the three largest cities the Conservative Party, with its just over 30 percent, is five times larger than the Center Party.

Outside the big cities the Center Party has done better--based on the figures alone. Nevertheless, the most interesting changes have occurred there. According to the regional SIFO survey, the Conservative Party now is the largest nonsocialist party in all regions. In Norrland the party has over 15 percent of the voter support. In the farming areas of southern Sweden the Conservative Party is twice as large as the Center Party.

As SIFO strongly emphasized, all such regional surveys must be taken with a grain of salt. While the opinion institutes usually are extremely accurate in predicting election results nationwide, their regional predictions often are not worth the paper they are written on.

Thus, one should not devote too much attention to the individual SIFO figures. On the other hand, the trend during and after the 1979 election is clear:

The Center Party, which always has been a rural party (66 percent of its voters in the last election were from rural areas or small towns) has lost its dominant position among nonsocialist voters outside the cities and has lost its foothold in the metropolitan areas.

The Conservative Party, which traditionally has been an urban party, has strengthened its position throughout the country, but proportionately more in "Center country."

The Liberal Party, also traditionally an urban party, has managed to maintain its position--more or less--only in its Goteborg stronghold.

The Left Party Communists, the most strongly pronounced urban party of all (67 percent of its voters in the last election lived in cities) has suffered major losses in its heartlands.

The Social Democrats, the party with the most evenly distributed support, has gained ground evenly throughout the country with the exception of southern Sweden.

Minor Shifts

The basic pattern, which recurs in both elections and opinion polls on the national and regional levels, is that shifts between the blocs are slight and occur relatively slowly. The major shifts and the sudden changes occur within the blocs.

Nevertheless, these two types of shifts are related to a certain extent. The rise of the Center Party in the early seventies was not an urban phenomenon. The most interesting aspect of it was that the Center Party took votes from the Social Democrats in the Social Democratic strongholds--small industrial and mill towns.

The Center Party attracted voters who were disturbed by the centralization policies of the sixties. The party succeeded in appearing as an alternative workers' party that was close to the manual laborers and that advocated radical regional policies that could save small industrial towns from annihilation.

In the big cities, it was not primarily the typical Social Democratic voters who were attracted. To some extent, the Center Party voters were ideologically motivated: they reacted against the increasing use of automobiles and centralization policies. They reacted against the proliferation of offices, poor housing, and that their pastoral idyll--their recreational area--was being destroyed and poisoned (by the old guard of the Center Party, the farmers, but nevertheless). There also was the threat of nuclear power.

This explains to a great extent the inroads of the Center Party into the cities. One of the most important reasons why the Center Party appeared to become an urban party, however, was the tendency of nonsocialists to vote for the leading nonsocialist party--especially as in the case of the Center Party, if it seemed capable of taking votes from the Social Democrats. Like the Conservative Party previously under Hjalmarsson and the Liberal Party under Ohlin, as soon as the Center Party under Falldin lost its position, nonsocialist loyalties shifted to the Conservative Party under Gosta Bohman.

Independent Noisemakers

The more ideologically motivated Center Party voters also began to waver. The "nuclear society" continued. Local communities and decentralization appeared just as much as Utopian goals after 6 years of mostly Center Party governments as ever before. The environment and the quality of life lost their status when it appeared that material prosperity was seriously threatened.

The old guard of the green wave found new alternatives: VPK, which was free to shout its demands from its position in the opposition, local environment parties such as the Stockholm Party, and now the independent noisemakers of the Environment Party.

More and more Stockholmers, Goteborgers, Malmoites, university graduates, students, and white-collar workers began to ask the same question that was asked during the mid-sixties: "What is a farmers' party doing in the big city?"

The Parties' Position in Stockholm, Goteborg, and Malmo

STOCKHOLM					GÖTEBORG					MALMÖ				
m	29,0	32	34	34	m	24,7	29	28	31	m	27,6	30	29	35
fp	12,0	8	7	6	fp	16,2	12	11	13	fp	12,1	7	7	5
c	10,8	10	6	5	c	13,3	11	7	6	c	10,3	10	7	7
s	37,7	40	43	43	s	36,0	39	44	42	s	43,9	47	52	46
vpk	8,9	10	8	6	vpk	7,8	8	8	6	vpk	4,6	5	5	3
övr	1,6	1	2	5	övr	2,0	1	3	3	övr	1,4	1	1	4

The four columns in the table show (from left) the 1979 election results, poll figures for the first 6 months of 1980, the first 6 months of 1981, and the first 6 months of 1982.

Key to table:

m Conservative Party

fp Liberal Party

c Center Party

s Social Democrats

vpk Left Party Communists

övr Other parties

9336

CSO: 3109/204

PAPER COMMENTS ON ELECTION IMPLICATIONS OF POLL

Stockholm SVENSKA DAGBLADET in Swedish 4 Jul 82 p 2

[Editorial]

[Text] The hope of a nonsocialist election victory is by no means lost. The SIFO (Swedish Institute for Public Opinion Polls) report on the first 6 months of the year provides some signs of a slight positive trend for the nonsocialist parties in some sections of the country. For example, if southern Sweden could determine the outcome of the election, there would be a nonsocialist majority. This also may be the case when the entire country votes.

SIFO pointed out that the regional breakdown does not provide a sufficient basis for absolute conclusions. Caution with the figures is recommended, but since the figures do not reflect the most recent nonsocialist gains to their full extent, the picture may be more positive than the present survey shows, based on a comparison between the most recent figures and the figures from 1 year ago.

It must be said that the Social Democrats are stronger than in 1979 in almost all regions, but the picture is divided: in the Malmo area the party is declining steadily, while the Conservative Party, with a corresponding increase, has given the nonsocialist bloc the advantage. Elsewhere in southern Sweden the trend is the same: a socialist majority 1 year ago has given way to a nonsocialist majority due to continuous advances by the Conservative Party. From a peak figure in the region including Smaland and the islands, the Social Democrats now have dropped to more normal levels, while the Center Party has risen from the low point registered in previous surveys.

In its commentary, SIFO noted that the decline of the Social Democrats seems to appear first in areas where small business is strong. Perhaps the breakthrough of the fund issue in the election debate influenced public opinion there first. If the change in attitude spreads to other important regions, the nonsocialist parties may look forward to election day with confidence. But this would require a strong effort on the part of the middle parties on the fund issue to mobilize hesitant voters in the middle, dissatisfied voters, and young voters. This cannot be done if they wait until fall to begin.

In the metropolitan areas of Stockholm and Goteborg the situation is relatively stable with a slight downturn for VPK, which will be a gratifying trend if it continues. If VPK falls below the 4-percent barrier, the chances of stopping "fund-socialism" will improve dramatically.

But the nonsocialist parties cannot count on VPK and the Environment Party falling below the 4-percent barrier. In the long final spurt from Almedalen up to the final TV coverage, the nonsocialist alternative must act under its own power, based on an active defense of the economic policies that are the foundation of full employment.

Much remains to be done to expose the shallowness of Social Democratic policies and to reveal the serious consequences a new Palme government would have on our economy. In the more and more even and tense balance between the blocs and with the uncertainty concerning the 4-percent barrier, the outcome will remain uncertain right down to the photo-finish at the finish line.

Sweden is not yet lost.

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CSO: 3109/204

POLL CONFIRMS GROWTH TRENDS OF CONSERVATIVES, SOCIALISTS

Stockholm SVENSKA DAGBLADET in Swedish 4 Jul 82 p 6

[Article by Hans O. Alfredsson]

[Text] The Conservative Party now is the second largest party in all regions. The Liberal Party has grown on the west coast, but otherwise, like the Center Party, it has declined. With the exception of southern Sweden, the Social Democrats have made gains everywhere since the 1979 elections.

These observations may be made based on data from the SVENSKA DAGBLADET-SIFO (Swedish Institute for Public Opinion Polls) voter survey for the past 6 months.

Some reservations must be made at the very beginning:

SIFO voter surveys are set up to measure party support throughout the country, not region by region. The voter sample is too small to be divided up into individual election districts. For this reason, SIFO has combined the figures for nine large regions (see explanation below), but since in most cases the number of those interviewed still remains below the approximately 1,000 required for a voter survey the results must be interpreted with caution.

SIFO regrets that, now that SCB (Central Bureau of Statistics) no longer conducts surveys, this is the only regional survey in existence.

It also should be pointed out once more that it is not quite correct to compare survey figures with election results. Nevertheless, it may be of interest to see how the relationships have changed since the 1979 election.

Conservatives and Social Democrats Advance

Here are several observations:

The political trends are about the same throughout the country. The Conservative Party and the Social Democrats have advanced, while the Liberal Party, the Center Party, and VPK (Left Party Communists) have declined. The group of voters supporting "other parties" (including the Environment Party and the Christian Democratic Party) have gained voter support.

The direction is the same, although the intensity varies.

The advance of the Conservative Party has made it the second largest party after the Social Democrats in all regions. In the 1979 election, the Center Party took second place in the two northernmost regions, in western Sweden, southern Sweden, and in Smaland and the islands, and was approximately as large as the Conservative Party in east-central Sweden. In northern Sweden the Center Party was twice as large as the Conservative Party. Now the Conservative Party is twice as large as the Center Party in western Sweden, east-central Sweden, and southern Sweden.

In the three metropolitan regions of Stockholm, Goteborg, and Malmo the Conservative Party has the support of about one third of the voters.

The entire time the Social Democrats have been the largest party in all regions. During the past 6 months, they have lost support in Malmo, east-central Sweden, Smaland and the islands, and in southern Sweden, but otherwise they have maintained a level that, except in southern Sweden, is clearly above the 1979 election results.

In southern Sweden the Social Democrats have dropped from 49 percent during the first 6 months of 1981 to 43 percent for the first 6 months of this year. In the 1979 elections, the party received 43.2 percent in this region.

The Social Democrats hold a majority in three regions--northern Sweden, north-central Sweden, and east-central Sweden.

Liberal Party Advances in West

In the most recent 6-month period, the Liberal Party has made advances in western Sweden, Goteborg (where the party has one of its prominent new members, Volvo chief Pehr G. Gyllenhammar) and southern Sweden, but has lost support in other regions (including Malmo, where it gained another prominent new member, Hans Cavalli-Bjorkman). Compared to the 1979 election results, the party has gained support in only one region--western Sweden.

Compared to 1979, the Center Party and the Liberal Party have been reduced by half in Stockholm, where the Center Party now has 5 percent and the Liberal Party has 6 percent. The Center Party also has been reduced by half in western Sweden and Goteborg. Elsewhere, too, the Center Party has suffered reversals, except for increases the past 6 months in Smaland and the islands (although these figures remain below the election results).

The Left Party Communists have lost support throughout the country.

The small parties have gained support everywhere--perhaps most significantly in Stockholm where their most recent figure is 5 percent (1.6 percent in the 1979 elections). In two regions, northern Sweden and east-central Sweden, their share is 6 percent, more than twice the figure 1 year ago.

SIFO divided the country into the following regions:

Northern Sweden--Vasterbotten, Norrbotten, Vasternorrland, and Jamtland Provinces.

North-Central Sweden--Varmland, Kopparberg, and Gavleborg Provinces.

East-Central Sweden--Stockholm (except region A-1), Uppsala, Sodermanland, Ostergotland, Orebro, and Vastmanland Provinces.

Stockholm.

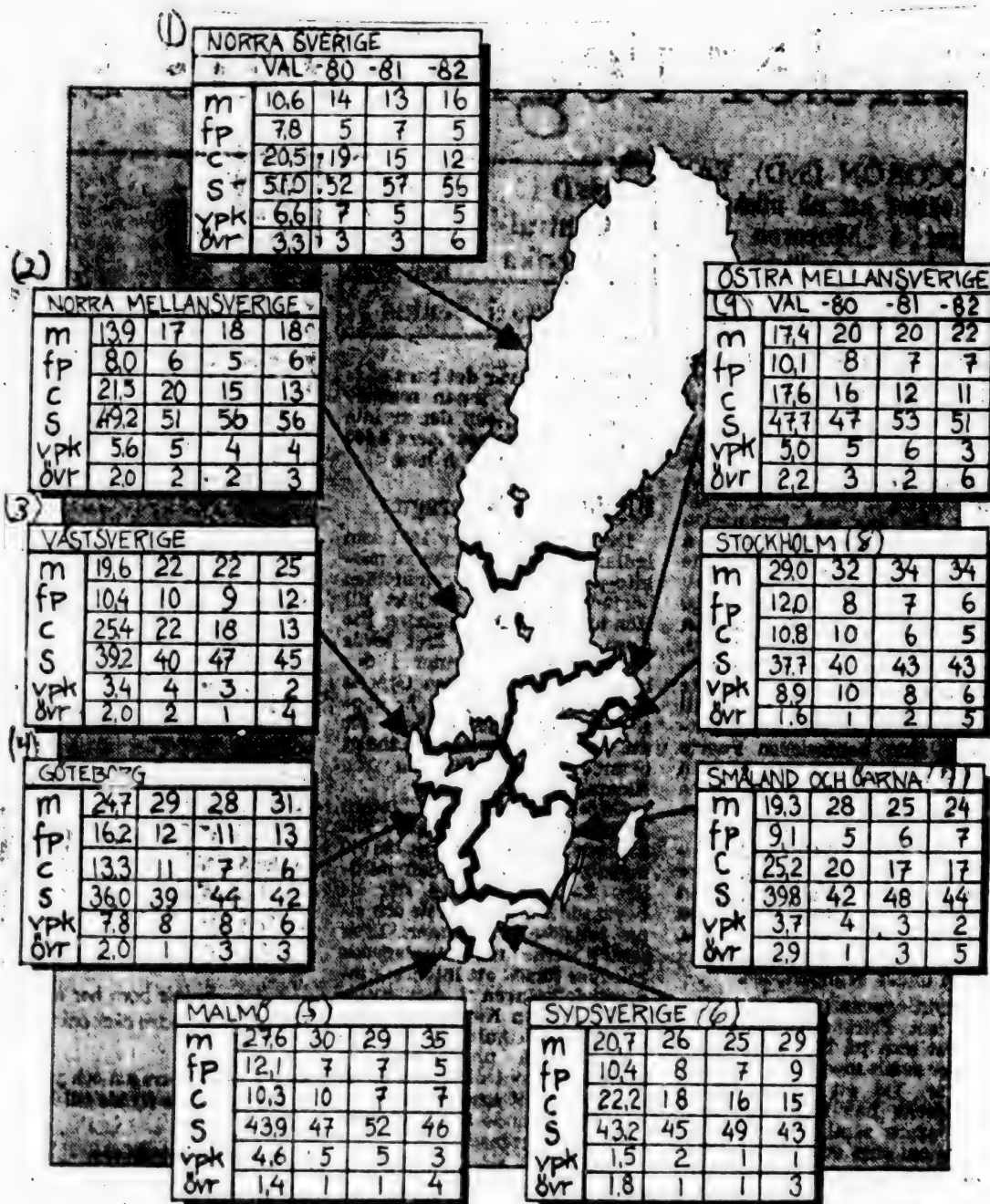
Western Sweden--Halland, Goteborg and Bohus (except region 33), Alvsborg, and Skaraborg Provinces.

Goteborg.

Smaland and the islands--Jonkoping, Kronoberg, Kalmar, and Gotland Provinces.

Southern Sweden--Blekinge, Kristianstad, and Malmohus (except region 28) Provinces.

Malmo.



Both the Social Democrats and the Conservative Party have made advances in Stockholm since the election in 1979. The Liberal Party and the Center Party both have declined drastically. VPK also has lost support, while the small parties including KDS (Christian Democratic Party) and the Environment Party have risen rapidly. The four columns in the tables refer to 1) 1979 election result, 2) first 6 months of 1980, 3) first 6 months of 1981, 4) first 6 months of 1981.

Key to figure:

- | | |
|------------------------|---------------------------|
| 1 Northern Sweden | 6 Southern Sweden |
| 2 North-Central Sweden | 7 Smaland and the islands |
| 3 Western Sweden | 8 Stockholm |
| 4 Goteborg | 9 East-Central Sweden |
| 5 Malmo | |

m Conservative Party

fp Liberal Party

c Center Party

s Social Democrats

vpk Left Party Communists

ovr Other parties

9336

CSO: 3109/204

POLITICAL

SWEDEN

PAPER QUESTIONS OPTIMISTIC AID AGENCY REPORT ON BAI BANG

Stockholm DAGENS NYHETER in Swedish 14 Jul 82 p 2

[Editorial: "Bai Bang"]

[Text] Bai Bang "hardly deserves to be a symbol of wasted aid money," according to the latest issue of SIDA's (Swedish International Development Authority) new series of publications "Aid Evaluated."

Things are not easy for aid to developing countries at present, partly as a result of cost overruns and miscalculations at the large forest industry project in Vietnam--"undoubtedly Sweden's most controversial aid program," as the publication put it.

The authors of the report concluded that the returns "for a normal commercial project in an industrialized country clearly would be a disappointment." But "considering the fact that Vietnam, even by the standards of developing countries, is extremely poor and difficult to work in the results are surprisingly positive."

These are extremely cautious words for an involved party. If you still are skeptical, you can compare this with a recent article by the Asia correspondent of the British financial newspaper FINANCIAL TIMES who praised Bai Bang without reservation as "not merely more advanced than any other project in Vietnam, but the most modern facility of its kind in Southeast Asia."

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CSO: 3109/205

MAOIST CP ORGAN SPECULATES ON VPK CHIEFS' VISIT TO CHINA

Stockholm GNISTAN in Swedish 1 Jul 82 p 2

[Editorial]

[Text] A VPK (Left Party Communists) delegation recently visited China. Bo Hammar and Eva Hjelmstrom brought home an invitation from the Central Committee of the Chinese Communist Party to Lars Werner to visit China later this year.

The Chinese invitation did not come as a surprise. In connection with the break between China and the Soviet Union in the mid-sixties, party relations were broken between the Chinese Communist Party and most communist parties in Western Europe. VPK chose to align itself with the Russians. The Chinese Communist Party established ties with the new Marxist-Leninist parties with which the party leaders of that time had a close feeling of kinship. Since 1976 the Chinese have attempted to broaden their international contacts, especially their contacts with their former sister parties in Europe.

So far, contacts between the Chinese Communist Party and VPK have been informal. Presumably, however, in the near future the two will become sister parties.

What is the motivating force behind the new policy of the Chinese party leadership?

Officially, it is an attempt to separate the Soviet Union and the parties that have followed the Russian line. Eurocommunism is seen as a positive factor that should be further removed from Russian influence.

Marxist-Leninists have differing opinions concerning the Chinese policy. Critics have asked if the new relations are merely a new tactic, or whether they should not be seen as a confirmation that the new party leadership in China feels a stronger ideological affinity to the old Comintern parties than to the new Marxist-Leninist parties.

The SKP (Swedish Communist Party) leadership has made known its views, especially during a visit to China last summer. SKP is happy to see that interest in China is increasing.

With regard to VPK, however, we believe that the party still is strongly dominated by Russian policies and that it does not belong to the more independent Eurocommunist parties. VPK has little influence in Swedish politics. It is a middle-class party that continues to lose support among the working class. Some VPK members would like to break with the Russians. In the present situation, recognition from the antihegemonistic forces of the world could help the VPK leadership to make an apparent change and become an independent force.

Contacts between SKP and the Chinese Communist Party have been and continue to be positive. For the revolutionary movement in Sweden, Mao Tse-tung and the Chinese Revolution always will be a source of inspiration while, at the same time, we formulate independent policies based on the tradition of Swedish democracy.

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CSO: 3109/204

POLITICAL

SWEDEN

BRIEFS

ENVIRONMENT PARTY'S DEFENSE PROGRAM--A transition from a military to a civil defense and more active peace initiatives. Reduced weapons exports and a general national service for men and women. These are some of the main points in the Environment Party's program for peace and defense which was made public in Stockholm on Friday. The party also is calling for an end to plans for the JAS aircraft system and for a conversion of that part of the weapons industry that manufactures war planes and weapons for export to other production. "The national service for men and women that we are proposing may take various forms," Per Gahrton said. "Military service will be only one alternative among many. The type of service will be chosen by weighing personal desires, suitability, and social needs. Those who do not wish to bear arms will have the right to choose another type of service. [Text] [Stockholm DAGENS NYHETER in Swedish 17 Jul 82 p 7] 9336

CSO: 3109/207

MILITARY

DENMARK

BRIEFS

IMPROVEMENTS IN CIVIL DEFENSE--Civil Defense will be strengthened in a number of areas and the Civil Defense Board will issue a report on the matter in September. Internal Affairs Minister Henning Rasmussen said that it is expected that some of the proposals can be implemented quickly, while others are based on a longer expansion period. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 22 Jul 82 p 2] 6578

CSO: 3106/146

MAUROY, HERNU VIEW FIREPOWER OF 10TH ARMORED DIVISION

Paris DEFENSE NATIONALE in French Jun 82 pp 154-155

[Article by Emmanuel Gepeyre: "The Firepower of the Land Forces"]

[Text] On 3 May 1982, the prime minister, Mr Mauroy, accompanied by the minister of defense, Mr Hernu, went to Mourmelon, where General Delaunay, chief of staff of the Army, awaited him. This was the occasion for the prime minister to make contact with the strike forces--specifically, the 10th Armored Division.

In the course of this visit, he witnessed a nuclear-strike-exploitation exercise carried out by a tank regiment supported by a helicopter regiment, a presentation of the Pluton weapons system, and demonstrations of firing with the principal antipersonnel and antitank weapons with which the regiments of an armored division are equipped.

In this regard, the Army has improved its firepower considerably in the last few years, so as to be able to cope in Europe with any eventual threats from enemy armored and mechanized formations backed by solid air support.

In the area of antitank and antiarmored combat, the land forces now have a complete range of high-performance weapons that can take on enemy tanks from 0 to 4,000 m: rifle-fired antitank grenades, rockets, missiles and tank cannon make up this panoply.

Thus the infantry units are currently equipped with two highly effective anti-tank weapons systems capable of piercing all tanks presently in service: the 89-mm rocket launcher, which can be fired from a distance up to 300 m, and the Milan medium-range weapon system, which fires a remote-controlled missile up to 2,000 m.

Against threats from the sky, the progress achieved in the areas of detection, guidance, and the destructive power of the missiles has made it possible to develop a coherent anti-aircraft defense system organized around four weapon systems:

--a medium-range basic system, the Hawk, the keystone of the army corps' anti-aircraft defense, capable of intercepting both aircraft moving at very low altitude and airplanes flying at Mach 2 and high altitude (10,000 meters);

--some complementary systems--the 30 double-barreled vehicle and the Roland missile--which are more mobile and are designed to accompany the forward units and back up the Hawk system, especially in the areas of low and very low altitude;

The Roland, installed on an AMX-30 chassis, has mobility comparable to that of the armored vehicles. It is an autonomous weapon system and can, by means of its detection radar, acquire targets up to 10,000 m away and go into action at up to 6,000 m with very high probability of hit.

The 30 double-barreled vehicle, which is also armored and tracked, is capable of taking instantaneous action at up to 2,500 meters.

--finally, the 20-mm cannon, which is widely distributed in the units, constitutes the backbone of the formations' self-defense--in a turret on the AMX-30 tanks, in a small turret on the AXM-10-P and AMX-13 VTT's [cross-country vehicles], and on a trailed carriage in the infantry.

The army corps' combat-helicopter regiments are improving their antitank capability with the gradual introduction into service of the Hot missile, which makes it possible to destroy armored vehicles at up to 4,000 meters. This missile, mounted on vehicles, will eventually equip the antitank companies of the armored divisions.

The destructive power of our 1,200 AMX-30 and AMX-30-B2 tanks, armed with a 105-mm cannon and having, for the AMX-30-B2, more advanced conduct-of-fire, with the introduction of "arrow" munitions with high piercing power.

In the area of ground-to-ground fire support, a profound transformation has been imposed by the evolution of the conditions of combat. The appearance on the battlefield of more numerous, faster, more scattered and "harder" objectives makes it necessary to increase the speed, precision and punch of fire. What now has to be done is to fire faster, farther and with even greater effectiveness, all at once.

This need is answered by the overall weapon system made up of the ATILA (Automation of Artillery Fire and Liaison) equipment, the Artillery Observation Vehicle (VOA), the trailed AU-F-1 155-mm cannons and the new munitions. This materiel, which is beginning to arrive in the units, will gradually equip all the artillery regiments of the army corps and the divisions, thus giving them new power.

While the Army's weaponry seems well-suited to current battlefield requirements, it faces the task of keeping them up to the proper level for coping with the constant evolution of the threat. An ongoing effort in research and study, on the one hand, and financing on the other, is therefore indispensable if the Armys' equipment is to remain appropriate for the battle conditions that could be imposed on it.

General Delaunay, aware "of the financial sacrifices that the country has made to give the Army means commensurate with its mission," stated a desire to the

Prime Minister with regard to the effort in this direction, asking "that despite the difficulties of the moment, the Army--which is necessarily technical and differentiated, so as to give the government maximum freedom of action in the face of various types of threat--continue to have the means, in terms of quantity and quality, for its complex missions."

Before the journalists present at this event, Mr Mauroy replied to this desire a little later, saying:

"I confirm what the minister of defense has already said on this point; nor do I forget what I said, and I hope to be able to confirm it to you."

Furthermore, in the course of his visit the prime minister declared that he was impressed by what he had seen and heard. He stated in particular:

"I have the impression of great rigor and a thorough mastery of the technical side. I have noted the quality of the draftees, the noncommissioned officers and the officers. These things give me the impression that France has an Army that matches its ambition--that is, to defend peace in the world today."

11/8/87
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GOVERNMENT CONSIDERS OPTIONS IN ANTITANK WARFARE SYSTEM

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 Jul 82 pp 20-23

[Article by Serge Brosselin: "Antitank Warfare"]

[Excerpts] Projectiles and Systems

The problems involved in choosing the best means of enhancing the effectiveness of antitank weapons against new and even conventional armor plate are quite complex. We know of no manifest disagreement about how to improve the APFSDS (armor-piercing fin-stabilized discarding sabot) shell currently effective against all types of armor. The penetration power of kinetic ammunition is a function of impact energy ($1/2 mv^2$). Hence the desired goal is primarily to increase the velocity of the projectile rather than its mass. Greater velocity on the trajectory also has the following advantages: better impact accuracy because of the target's decreased movement in a lapse of time having become proportionately shorter (prediction of the target's future position is made easier); secondly, enhanced effects in the interior of the tank, effects that are already highly supersonic. The way to obtain this increased velocity is obvious, namely reducing the drag coefficient by reducing the diameter.

The problem is more complicated, however, where missiles with hollow charges are concerned. The APFSDS round is certainly more effective than the latter against improved types of armor plate, but its more limited sphere of employment is such that it will definitely never replace "smart" munitions. Yet the greater the diameter of a hollow charge missile, the greater the lethality of its hollow charge. As a result, one approach being considered is to increase the caliber of the missile. Because such increase inevitably produces greater drag, the only means of offsetting this loss in aerodynamic performance is to use composites for the missile's structural elements and fuel with a higher specific impulse for its entire propulsion system.

Among future programs, three developments are noteworthy in that their diversity is such that they are illustrative of the great variety of antitank concepts. The first two of these developments are American, the third will be French.

This French development is the work of Aerospatiale's Tactical Missiles Division. It is for a new short-range antitank weapon (ACCP) designed to meet specific French Army requirements for the end of this decade, and also

fill the gap between 0 and 500-600 meters within which existing wire-guided missiles are "blind."

Unlike other manufacturers who have opted for the unguided rocket type of approach, Aerospatiale has instead chosen to cross the Rubicon and develop a guided missile system, believing, and probably rightly so, that this type of guidance offers greater assurance both in terms of performance and accuracy than the competing solutions can. The missile's low muzzle velocity--approximately 20 meters per second--will allow it to be fired in a partially confined space, in other words from a partly closed compartment. Because of the small amount of solid propellant burned, such firing will have no detrimental effects on the gunner. An electroluminescent diode mounted on the rear of the missile enables the gunner to follow the missile. Also fitted on the rear is a reel of wire used to transmit course correction commands. At maximum range, the ACCP will reach a velocity of approximately 300 meters per second. The missile is equipped with an error detecting unit (a mosaic array of sensors) that is highly resistant to enemy jammers which are likely to be very densely deployed on the battlefield and in urban combat areas.

Helicopter of the Future

Will helicopter systems and avionics experience a degree of development--admittedly with a good 10-year lag--comparable to that which has marked the design of new-generation civil and military fixed-wing aircraft?

This question deserves to be raised not only when we consider the very preliminary studies being made in France but especially the project which the British firm of Westland recently outlined in a press release which concluded with a description, for the first time, of a possible cockpit layout for the future helicopter designed to become operational by 1995.

This layout includes the conventional six-electronic tube display arrangement highly characteristic of the EFIS ECAM [electronic flight instrument system--extended communications access method] or EFIS EICAS [engine indicating and crew alerting system] (mounted in the A-310, B-757, and B-767 transports) as well as their associated multifunction control systems. There is nothing surprising about this. Indeed such a development is, in fact, quite logical inasmuch as the Westland project appears, as far as we know now, to cover a civil helicopter, at least initially. In other words, the primary flight parameters to be displayed will be the same as those furnished by sensors of the traditional control instruments in current use (speed, altitude, horizontal situation, engine condition, etc.).

On the other hand, it does seem more difficult to envision exactly the possible content and form of the navigation and weather data to be displayed in the tactical flight environment, given the fact that for night flying the display and obstacle avoidance functions will be performed primarily by the cockpit FLIR [forward-looking infrared] system.

Westland designers and engineers may be planning to have the CRT display, operating in map mode, handle area navigation while it will be up to the

night-vision thermal-imaging system to monitor terrain following.

The British manufacturer has also indicated other possible applications of new technologies to the future combat helicopter.

And here we note that the solutions advocated have a dual objective. One is, of course, to improve systems management by means of the numerous control (and warning) capabilities which mode switching gives the crew for the readout of available analog or alphanumeric data on the central panel's two display screens. The primary objective, however, is to reduce that same crew's workload so that the resultant extra available time will enable the crew to concentrate more effectively when employing the helicopter's weapon system. In this connection, Westland is currently developing a prototype voice control system designed to free the pilot of a certain number of manual tasks. This speech recognition and voice synthesis system will enable the pilot to issue instructions directly to aircraft avionics control systems thereby activating navigation equipment, frequency management systems and other on-board equipment. A synthesized-voice response furnished by the systems in question informs the pilot whether his commands have actually been received and understood.

Westland designers believe that the reduced workload resulting from the application of all these new technologies may possibly allow a helicopter to be flown on the battlefield by one man alone!

Will current research programs in Great Britain and the United States, notably by Lockheed on voice synthesis or by Bell on the electronic panel developed under the Army Helicopter Improvement Program (AHIP), have an influence on the exploratory work being done in France? It may possibly still be too early to determine exactly what answer should be given to that question. Nevertheless, we cannot help but note that there is a certain convergence of ideas and means on both sides of the Atlantic and the English Channel. In fact, we do observe that in France integrated systems design is evidently becoming an ineluctable goal which aircraft and avionics manufacturers will ultimately endorse. A second observation: Thomson-CSF actually no longer has anything to prove in the electronic display field. The same applies to SAGEM [Company for General Applications of Electronics and Mechanics] where strap-down inertia is concerned. As for the voice-control, speech recognition and voice synthesis system, Crouzet is following very closely on the heels of the American and British manufacturers. In that case....

In that case there is French research in other radically different directions, to say the least, as we shall be able to note.

In fact, we have been able to determine that, above and beyond electro-optical acquisition sensors, there is, in France, exceptional interest being taken in an approach employing a millimeter-wave airborne radar.

The advantages to be derived from this concept--revolutionary in its applications to the combat helicopter, needless to say--are as follows: regardless of the harshness of the battlefield environment (rain, snow, fog, smoke screens, infrared decoys), this radar will be able to acquire targets at a much greater range than existing electro-optical systems can (definition

being independent of range).

Yet concrete implementation of such a concept necessitates resolution of the complex problems of shape recognition, hence selection of a wavelength adapted to the dimensions of the details which make target identification possible. It does appear, however, that there are new prospects in this field of research in France where Thomson-CSF--without a government contract having been awarded it at this time--is conducting such research on its own, research which is certainly above and beyond the mere old-technology stage.

Franco-German Helicopter: Disillusionment in the Offing?

The current status of discussions on joint development of a Franco-German helicopter, planned for deployment in 1988, is such that only negotiations conducted at Lourdes can seemingly extricate this thorny project from its present impasse. The miracle may perhaps be produced by the political determination of both Helmut Schmidt and Francois Mitterrand to breathe new dynamism in Franco-German cooperation. It must be emphasized that, transcending strict considerations of bilateral industrial policy, both of these government leaders deeply feel that such cooperation is the backbone, if not even the symbol of the existence of a European entity whose perpetuity, whether we like it or not, can only be guaranteed by the permanence of the Paris-Bonn axis.

In any event, judging from the pervasive pessimism in Paris about the project's future, if there is still a chance to save the program, its last hope is based solely on the political option. And it is certainly not the West German government's recently announced decision to evaluate the American AH-64 [advanced attack] helicopter that is likely to put the project back on track.

There are actually two main stumbling blocks to this program. One is of a budgetary nature. The other has to do with the fundamental differences in the respective national requirements for the helicopter.

As for the financial aspect, it is acknowledged in both Paris and Bonn that funds currently allocated are clearly insufficient to cover research and development costs. In fact, German military officials believe that the helicopter they need already exists. The comparative cost analysis made by their staffs--favorable to the American system--showed that it was more economical to buy American than to launch into development of a bilateral program with France. This attitude is deplored in Paris, naturally. But it does partly explain the insufficiency of available funds in both France and Germany, because of the 3 billion francs required to launch the program, the two countries combined can but raise less than half that amount.

As a result, the Germans have reached the point where they are now hesitating between two American systems: the AH-64 equipped with the Martin Marietta TADS/PNVS [target acquisition designation system-pilot's night vision system] and the Bell 64 to which it is planned to eventually add the electro-optical

Another aggravating circumstance: in an effort to save Franco-German cooperation already seriously shaken by the case of the main battle tank for the 1990's, the Germans initiated a study to estimate the costs of fitting Euromissile's HOT [antitank missile] to the American helicopters. These costs proved to be so high that everything now indicates that the TOW missile or more likely the Hellfire missile will be the ultimate German choice.

The status of the second stumbling block, the helicopter's technical specifications, is such that officials in Paris readily admit that prospects for resolution of these difficulties are not much more encouraging. This situation is becoming so complex that Paris no longer dissimulates the fact that it can practically record only points of disagreement relative to the helicopter's primary role as well as its very definition.

First of all, the Germans object to French specifications for the future helicopter because they do not adequately conform to the integrated systems concept. Although Aerospatiale officials do not question the validity of this objection, they do point out, however, that excessive systems integration is not exclusively advantageous. For example, in case of war, a helicopter must be capable of operating in a downgraded mode. Yet too much integration can lead to a major drawback, namely the loss of one function is liable to bring about the loss of all others. Incidentally, in this respect it would be enlightening to know how this concept of redundancy, which is of prime importance during combat, was dealt with in the design of the AH-64's systems.

A second point of disagreement: the Germans prefer a complicated and, therefore, heavy helicopter, whereas the French resolutely stress the necessity of having an appreciably lighter, mobile, and specialized helicopter that is particularly suitable for the European theater's terrain compartments.

Lastly, and above all, as its designation indicates, the future combat helicopter HAC/PAH-2 was planned to perform a dual mission: support protection (HAP) and antitank warfare (HAC). This dual role is the source of the third point of disagreement. The fact is that the characteristics required to carry out these two missions are not the same. To provide support, for example, the desired primary performance characteristics are maneuverability, agility, and rapidity.

As a matter of fact, to thoroughly understand the nature of the basic disagreement between Paris and Bonn, we must go back in time. The idea of cooperating with the Germans on this helicopter actually dates back some 4 years when this future helicopter concept was submitted to Headquarters ALAT [Army Light Aviation] at a time when the latter's units had not yet begun to receive their authorized number of Gazelle helicopters. ALAT began to study the matter, recognizing that its prime concern should be protection of day-flying helicopters. It preferred, therefore, to await delivery of its night-flying helicopters and determine for itself what the electro-optical systems could offer. Hence the idea of developing on the same airframe initially an HAP mission capability--the actual requirement was to have a helicopter capable of performing a mission FATAF [Tactical Air Force] aircraft do not perform adequately--and then only later an HAC mission capability. But according to officials in Paris, the

Germans did not seem to be interested in this HAP capability. They did not consider "support protection" (AP) as one of their priorities, whereas the HAC [antitank] version did interest them for the immediate future.

The last point on which the two countries are at odds has to do with worksharing. The Germans contend that the share given to French industrial firms for development of the FLIR [forward-looking infrared] system is too great and hence a solution should be sought to correct this imbalance.

But FLIR is a field in which France is acknowledged to have a definite technological lead.

One thing does appear certain, however: if the Germans should decide to drop the program France alone would continue the development of this helicopter in two different versions. Aerospatiale is already prepared for this contingency.

But unfortunately, as recently confirmed for us by Defense Minister Charles Hernu (see interview on page 26 of our issue No 826) [see JPRS 81296 No 1998 of this series, dated 16 July, pp 3-11], it is to be feared that in that case these two versions would be but remotely related to the ambitious program as initially planned.

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CSO: 3100/857

LIAISON SQUADRON 44 FOR PERSONNEL EVACUATION

Paris AIR ACTUALITES in French May 82 pp 26-29

[Article by Airman Thierry Debaille: "Liaison Squadron 44 and EVASAN's (Medical Evacuations): a Public-Interest Mission"]

[Excerpts] Along with its transport squadrons and its helicopter squadrons, the Military Air Transport Command (COTAM) has liaison squadrons. Thus, at Aix-les-Milles the liaison squadron of the 4th Air Region carries out personnel-transport missions, command liaisons, and medical evacuations from Corsica to the continent.

EL [Liaison Squadron] 44, the "Mistral," stationed since 1945 at the Aix-les-Milles Air Base and placed at the disposal of the command of the 4th Air Region, is the only flying unit on the base. Its commander combines his functions with those of chief of operational means, on a field where assigned secondary civil aviation is very active.

Destination Villacoublay

Aix-les-Milles, 0830 hours: a Nord 262 Fregate waits on the edge of the runway. The team of mechanics does the last preflight checks while the pilots check out the equipment and test the two engines. The preflight inspection ends.

A few minutes later, the plane is finally ready for its liaison mission.

A little later, the distant voice of the control tower sound in the cabin. The last instructions are given--"wind north 10 knots, remember 1,000 feet in line"; the plane rolls, and soon the runway widens in front of its nose, then disappears very fast. Destination Villacoublay: a flight of 1 hour 45 minutes.

The crew, returning late in the evening, will count one more mission and several hours of flying time.

The squadron's pilots carry out command missions like this daily, with efficiency and regularity. Today it was Villacoublay, yesterday it was Solenzara, tomorrow perhaps Clermont-Ferrand or Nice.

One particularity is that on the return leg, the procedures for arrival in bad weather conditions are carried out with the radio aids from the Marseille Mari-

gnane field until the plane is within sight of the ground. The bearing is then taken on Aix, if the conditions there are good. At night, vigilance is necessary: the field is surrounded by hills, and Mt Sainte Victoire is quite close. Yes, the weather does sometimes pose problems. The morning fog can sock in the Aix-les-Milles field and force the pilots to set down on the Marignane field, when it is foreseen by the base's weather station. Another small constraint is the short length of the Aix runway, limiting the takeoff mass and therefore the fuel load. The result of this is that in the warm season, for certain routes, an additional refuelling stop is necessary for the MS-760 Paris four-seater liaison planes.

EL 44 has some 20 pilots and the following aircraft: several Nord 262's, three MS-760's, and four MH-1521 Broussards. The last-named, though aging, take part in forest-fire surveillance missions in the summer. In 1981 alone, the squadron put in 3,000 hours of flying time.

SOS Air Ambulance

It is barely 0200 hours when a telephone call is received in EL 44's operations room: EVASAN from Bastia--takeoff 0500 hours." This request for action is made by the Emergency Medical Aid Service (SAME) of Ajaccio, attached to the Regional Medical-Service Directorate (DRSS). The alert is taken up by the crew, the mechanics and the medical team. In daytime, takeoff can be in less than an hour after the alert is issued.

Each on-duty EVASAN team comprises two indissociable units. The medical unit, which is especially competent, comprises an Air Force physician, a nurse and a nurse's aide from the base; the other unit consists of a crew of two pilots and a mechanic of the Liaison Squadron.

For the entire duration of the mission, the No 1 objective for which the entire crew and the air controllers, military and civilian, will strive is to gain time.

In the parking area close to the hangars, the "medicalized" Nord 262, transformed into an ambulance and always on call, is already undergoing a final checkout. The flight plan is filed, and the medical team too checks its medical-care and resuscitation equipment.¹ The plane is ready for takeoff.

The call-sign FM 940 informs the Marseille regional control center of the particular character of the EVASAN flight. Everything will be done to facilitate it. At Bastia, 1 hour after takeoff, the base physician is driven in a SAMU vehicle to the hospital, where a seriously injured person waits. He has to make sure that he can tolerate the flight--an essential point if there is to be a perfusion, with the flight conditions (altitude) and possible turbulence taken into account.²

The base's physicians are unanimous in declaring that a good medical evacuation is one in which the medical team's work is limited to seeing to the resuscitation of the patient. However, it is not rare for the doctors to have to do emergency operations that are sometimes last-chance attempts (heart massage, intubation, etc.).

The crew, for its part, will do everything in its power to ensure the fastest and most comfortable flight possible, in function of what the physician desires. Discreetly and professionally.

Upon return, the injured or sick person, received on the Aix-les-Milles base by a SAMU team, is immediately taken to the Marseille hospital center.

In 1981, more than 110 medical evacuations, representing 300 hours of flight, were made from Corsica to the continent. Ninety percent of the patients transported were civilians. These figures testify to the ever-increasing effectiveness of EL 44, a painstaking squadron always on the ready, like the other units of the Military Air Transport Command.

Editor's Note: Because of their cost and the magnitude of the resources employed, medical evacuations by air are subject to an administrative procedure that requires requests to be made through the prefects (or authorities to whom they have delegated their power) and to technical monitoring by the Medical-Service Directorates or their representatives.

FOOTNOTES

1. A transport litter and equipment for oxygen therapy as well as perfusions are carried on board.
2. A decrease in oxygen due to altitude causes acceleration of heartbeat and a drop in blood pressure, while external pressure drop (partially compensated for by pressurization) causes dilatations (of the abdomen, for example). Accelerations are also harmful.

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CSO: 3100/791

EXPERT URGES R & D, BETTER RESOURCE USE, FOR WEAPONS TECHNOLOGY

Paris DEFENSE NATIONALE in French Jun 82 pp 5-13

[Presentation given by H. Martre, general delegate for armament, at the Institute for Advanced Studies of National Defense, 17 Apr 82]

[Text] A country's armaments policy follows directly from its defense policy. Thus it is closely linked to its foreign policy in a twofold way: on the one hand, because its defense policy and foreign policy are indissociable, and on the other hand, because an armaments policy implies options in the matter of sources of supply that naturally, and to varying degrees, extend beyond its national capacities.

It is therefore possible to establish perspectives in this domain only by situating them in their natural environment--i.e., the international environment.

The world's countries devote to their defense an overall average of nearly 6 percent of their total resources; but this effort varies a great deal from country to country. Obviously, the relatively greatest efforts are found in the warmest zones of the world, principally in the Middle East. Next come the two superpowers, with about 5.5 percent for the United States and something like 11 percent for the Soviet Union; and then the nations of the Warsaw Pact and of the Atlantic Alliance. At the bottom of the list are both a great many very poor countries and some very wealthy nations, such as Japan, which devotes less than 1 percent of its national product to its defense.

France, for its part, devotes 3.9 percent of its resources to its defense, and its military budget is thus roughly equivalent to that of Great Britain and the FRG, while being eight times less than that of the United States.

Nevertheless, a general evolution is perceived over a long period: the industrialized countries' rate of military expenditures is tending to decrease, while that of the developing countries is tending to increase, with the average rate remaining relatively stable. This can be seen as the consequence of de-dollarization and of the oil crisis, but also as the stabilizing effect of nuclear weapons and of the strategic-armaments limitation agreements. But this trend has the effect of boosting the flow of exchanges of weaponry from the main industrialized producer countries toward the nonindustrialized countries whose equipment is being increased more rapidly.

The proportion of equipment expenditures in military expenditures can be estimated at 40 percent, which represents something like Fr. 1.4 trillion for the world as a whole. Taking development and investments into account, total production of armaments comes to about Fr 1.1 trillion. The greater part of this production is concentrated in the Soviet Union and in the United States, which together make nearly 70 percent of the total. France comes far back in third place, with about 6 percent of world production.

International exchanges come to about 20 percent of production. In the main, they emanate from the two superpowers, which together account for about 65 percent of world exports. France is in third place with 12 percent.

An important factor dominates armament activities: by the fact of the sharp competition deriving from the fundamental aspiration to security, the thrust toward innovation is very strong, which results in strong research and development efforts.

In the United States, nearly 30 percent of the military equipment budget is devoted to R & D, and it is estimated that the Soviet Union's effort is even greater, and oriented mainly toward filling in the qualitative gap by which it is separated from the Americans. France, for its part, makes a relative effort of the same order, with 27.5 percent of its equipment budget devoted to preparation of the new generations of materiel; but it is obvious that the corresponding financial volume is nine times lower than that of the Americans.

The few figures given present our position in an overall world picture in which the two great powers dominate, and they merit several comments.

Despite a highly exposed strategic position and an independent defense policy, France is making a relatively moderate military effort. This is due essentially to the choice it has made of a strategy based on nuclear deterrence, and furthermore, to its membership in the Atlantic Alliance.

Nevertheless, its military policy leads to a highly multipurpose character in its forces: nuclear forces in several components, battle corps, defense on the high seas and on its two maritime fronts, external-assistance forces, etc.

To safeguard its independence, it has also chosen to produce its military equipment in a relatively autonomous manner. This means that our industry has to develop its capacities for a very large part of the panoply of possible armaments, and this is what differentiates us in particular from the FRG and Great Britain, which, with resources equivalent to ours, have limited the variety of their production more narrowly and import materiel more readily. It is clear that from individual weapons to strategic nuclear submarines, we cover a range of products and technologies that is in the same order of magnitude as those of the great powers.

But in the area of armament, the diversity and richness of the technologies can only increase. Whereas in the past it was sufficient to master a few basic technologies in order to produce military equipment, and what is more, these technologies were evolving very slowly, it is now necessary to cover vast sci-

entific and technical sectors in their most advanced aspects. Furthermore, as everyone knows, progress in knowledge has been at an exponential rate for more than a century. This tendency is sharper from day to day, and the work in progress suggests important developments in military materiel in the next 2 decades. Most of this evolution will be induced by electronic miniaturization and the creation of new materials. A massive spread of computerization and the generalization of varied signal pickups capable of ensuring both observation and weapons guidance are to be expected. The functions of automation, liaison and intelligence will be developed broadly because of this fact, and in reaction, countermeasure equipment designed to neutralize the enemy's nerve system will be created. The pace of military operations will be raised considerably because of this, and all-weather combat capacity will be broadly extended.

A substantial raising of the performance level of materiel is likewise to be expected: range and speed of missiles, resistance of armoring and penetrating power of projectiles, mobility of armored vehicles, flexibility of use of airplanes, etc.

The hazards of combat will thereby be considerably increased, and the possibilities of technical surprise on the battlefield, for which there are many precedents in recent history, will be greatly multiplied.

We therefore have to be in a position to cope with this technological escalation by providing our armed forces with materiel competitive with the materiel that could be pitted against them.

This requires a considerable research and development effort, and one of our principal challenges is to carry out this effort and obtain from it results that are sufficient within the budgetary framework allotted to us--in a lower order of magnitude than that of the powers that are waging the competition, even though the qualitative domain to be covered is nearly as large.

We therefore must, on the one hand, broaden the range of resources available, and on the other, make the best use of these resources.

In order to achieve the first objective, we should first of all make the best possible use of our industrialists' self-financing capacities. They are obviously interested to the highest degree in the development and renewal of their ranges of products, and are consequently disposed to put out the effort, to the extent of their possibilities. But to this end, it is necessary for their production base to be sufficient to generate sufficient means of self-financing. Because of the narrow extent of our domestic market, this is possible only through an extensive export effort, and it is precisely because of this effort that in recent years, the proportion of research and development financed by the industrialists has risen from 20 percent to 40 percent. This is a very notable achievement, and one that it appears very difficult to improve further, especially when it is considered that it relates to an average that involves sectors of very different natures. Our objective is therefore to maintain this balance.

A second means is to develop cooperation, for the principal effect of it is precisely that it lightens the fixed costs of design studies. Even though one

cannot expect to divide these costs exactly equally among the participants in a program, the fact remains that considerable economies can be achieved in this way; and it is for this reason that we shall systematically explore all the possibilities of cooperation--principally, though not exclusively, with the FRG and Great Britain, whose technical and financial capacities are close to ours. This action is being carried on with continuity and hardheadedness, with a great concern for realism on the part of our general staffs and great flexibility of adaptation by our industrialists. Nevertheless it is meeting with mixed success, for in this period of world economic difficulties, there is more and more hesitation to launch new programs, and the partners' priorities and the characteristics of the programs are far from being convergent all the time.

Pursuit of the second objective--the best use of resources--implies a very selective policy of choice of the main lines of effort and rigorous economy with the means to be used. A country such as ours cannot claim championship in all categories, and while the fortunes of research and the talent of the people sometimes put us in the lead, it can only be exceptionally. The materiel remains in service for quite a long time--from 15 to 30 years, depending on its nature; generations of armament can succeed one another only at quite long intervals, and it is common to have at least two generations of the same type of materiel in service simultaneously. Under these conditions, and from the point of view of the forces' fleet of equipment, it is not indispensable for us to place new armaments in service at exactly the same time as the most advanced nations. A lag limited to a few years is admissible and enables us to defer the major choices a bit, and consequently to avoid errors of orientation, which are always expensive.

In the same way, realistic analysis of the notion of independence, in the light of the economic imperatives, leads to rejection of the concepts of rigorous self-sufficiency of development and production--concepts that accord poorly with the industrial interactions of the modern world. It is therefore necessary to discern the essential autonomies that preserve the major freedom of decision for the government and to concentrate our efforts on them. In particular, whenever high development costs have to be balanced against low production runs, the acquisition of licenses, or even purchase abroad, accompanied by industrial compensations, are not to be ruled out. Finally, while healthy emulation is often a good thing to be kept up between competing industrial teams in order to achieve the best results, it is harmful to pursue them beyond a reasonable extent, and useless duplication should be avoided, especially when it entails heavy investments in test or production facilities. Thus one sees that our policy of innovation requires both a clear awareness of our capacities and our limitations, and also a great deal of sagacity, intuition and flexibility of adaptation.

However, scientific and technical progress does not have only the effect of accelerating the obsolescence of materiel and increasing the fixed cost of programs. Engendering higher-performance and more complex armaments, it constantly increases their cost, in terms of constant money, when one goes from one generation to the next. This is, moreover, a very general phenomenon and affects the other countries as well as France, and civilian equipment as well as military equipment. Because of the important consequences of this evolution of

costs, a great many economic studies have been devoted to it within the departments of the General Delegation for Armament. They constantly and clearly bring out the fact that in the course of mass production of a given item of materiel, the costs decrease in accordance with well-known industrial laws, in function of the so-called "apprenticeship" effect and the impact of general gains in productivity. On the other hand, when one goes from one generation to the following one, the unit cost, often expressed in terms of constant francs per kilogram, rises in function of what can be called the "quality effect." The average annual rate of this increase, observed over a long period--in fact, since the end of World War II--and for many items of armament of various kinds, has appeared to be on the order of 5 percent--that is, a level quite close to that of the growth of the GDP in volume. A recent British study shows a rate of 6 percent, which in fact confirms the validity of our approach. Quite curiously, the same analysis as made for civilian goods, such as automobiles and locomotives, has yielded closely similar results. And some have gone so far as to deduce from this a very general law according to which, for a given item of equipment, a customer is prepared to pay an additional amount for a more highly perfected product equivalent to the rise in his standard of living.

But the economic growth of the Western countries has slowed down considerably during recent years, and the increase in costs due to the quality effect appears to be following its previous trend. This produces a certain uneasiness about the possibilities of quantitative equipment of the armed forces in function of the foreseeable resources. To make a striking point, an American analyst has even concluded, by extrapolating from the trends, that around the middle of the 21st century, the United States would only be able to purchase a single combat plane per year. It is therefore certain that for a given evolution of resources, a balance has to be established between the quality of the materiel and the quantity ordered.

It is therefore undeniable that the quality effect, which generates a regular increase in the cost of materiel, does not derive solely from a concern for perfectionism but rather reflects the profound upheavals in the field of armaments. The usual comparison between nuclear explosives and conventional explosives is caricatural, but one could cite at length the transitions between old and new materiel that have produced big jumps in effectiveness, entailing irreversible evolutions in our armed forces. Therefore, one may not abandon oneself to the illusion of return to rustic kinds of materiel, and large quantities of it. Indeed, one senses clearly that there is a threshold below which armament has no operational value against an enemy equipped in a modern fashion. But there is also a threshold above which the perfecting done or the complexities added do not have sufficient operational usefulness to justify the corresponding cost increase. The entire problem posed to us is to find the mean position between these thresholds. But one has to be well aware of the fact that the choices of the characteristics have to be made at the time of starting up the development of the programs--that is, 8 to 10 years before the first items of materiel go into service--and of the fact that the materiel will generally be produced over a 10-year period and will remain in service for a good time after that. If we take the case of a missile-launching nuclear submarine, for example, it appears that the last of these submarines will be retired from service about 50 years after the startup of its development. This

gives the measure of the difficulty of the choices with which we are confronted, of the effort of foresight that they imply and the uncertain character of the options taken. These problems must therefore be tackled with great openness of mind and with a certain humility. This expresses the importance that we attach to the recurrent process of definition of the programs in the course of which officers, engineers and industrialists work together to gradually establish the best cost-effectiveness compromise while ensuring the best guarantees: lines of information, test studies, modelings, simulations. We are far from the time when everyone could be enclosed within his own specialty. Teamwork is what we strive for now, with a clear view of the military, technical and economic stakes.

It is difficult to overemphasize, in this regard, the importance of the scientific and technical outlook, as regards both education as such and the research aimed at illuminating the ways of the future--but also exchanges of information among allies, making it possible to discuss concepts and results.

Nevertheless, no matter what the quality of our thinking and our choices, nothing can be achieved without an imaginative, dynamic and healthy industry.

Armament activities in France provide nearly 300,000 direct jobs and are distributed among several industrial sectors, the principal ones being aeronautics, electronics, shipbuilding and mechanical construction. In 1981, the turnover in this area was on the order of Fr 66 billion not including taxes, with about 40 percent of it for export. This represents about 5 percent of our industrial activity, 2.4 percent of our gross domestic product, and 4.7 percent of our total exports.

These few ratios show that contrary to what one might be led to think by certain projections of topical interest, armament activities are far from hypertrophied in our country. Quite curiously, one notes further that our share of armaments production vis-a-vis world production corresponds quite closely to our economy's proportion to the world economy.

The growth in turnover, expressed in constant francs, has been about 6 percent per year in the course of the last 10 years, entailing productivity gains on the order of 4.5 percent per year. This growth is due to the increase in military equipment credits, but also to exports, which in 10 years have gone from 20 percent to 40 percent of turnover.

In parallel, a great deal of restructuring and industrial changeover has been carried out, making it possible to expand the dimensions of the enterprises and to strengthen them vis-a-vis the international competition. We therefore have a healthy and balanced industry at our disposal, one whose results demonstrate technological capability and competitiveness. But one should not attempt to conceal its aspects of fragility. These are, essentially, the excessively rapid evolution of the technologies, necessitating a big effort to update the product range, and also the high level of exports, an area in which unpredictability and sensitivity to international crises are particularly marked. But these fragility factors are inherent in these activities and in our national dimension. These are inevitable facts that we must live with and that require of all a continual effort at innovation and adaptation.

These few observations and reflections are neither disturbing nor reassuring. They trace the outlines of a pathway that is difficult and sown with pitfalls, but that starts out from a solid situation that can only give us confidence in our ability to conquer the uncertainties.

ROLE, EQUIPMENT, MANPOWER OF 2ND ARMY CORPS IN FRG

Paris DEFENSE NATIONALE in French Jun 82 pp 148-151

[Article by Georges Vincent: "French Forces in Germany (FFA): To Do What?"]

[Excerpts] It may seem paradoxical, at first sight, to place such an article under the heading "Defense in France." This paradox, as we shall see, is only an apparent one.

France maintains on FRG soil, in Saarland, Rheinland-Pfalz and Baden-Wurttemberg, armed forces whose strength totals nearly 50,000: 14,000 career military and 36,000 draftees, who form the 2nd Army Corps, whose headquarters is at Baden-Baden,¹ and elements that do not belong to the 2nd Army Corps but cooperate in its mission (Air Force, Gendarmerie, territorial and infrastructure units). Also stationed in the FRG are the troops and services of the French sector of Berlin, who come directly under the chief of staff of the armed forces and to whom we will devote a later article.

The general commanding the French Forces in Germany (FFA) and the 2nd Army Corps--currently General Brasart--holds his powers from the agreements made between France and the FRG. A major general of the Bundeswehr is attached to him. He deals directly with the federal or local German authorities. The colors of both countries fly over the French installations. The members of the French forces are required to respect the German laws and regulations; however, the commanding general of the FFA exercises judicial authority over them and signs the arrest warrants for common-law crimes. An armed-forces tribunal--which is not a TPFA [Permanent Armed-Forces Tribunal]--is maintained at Landau.

Articulation of the 2nd Army Corps

The 2nd Army Corps--with its counterpart, the 1st Army Corps, stationed in the northeast of France--is an integral part of the 1st Army, whose QG [headquarters] is at Strasbourg. It comprises:

--one army-corps headquarters;

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1. With the everyday life of these forces is associated an "environment" that comprises 39,000 persons: 10,000 civilian personnel (National Education, white-collar personnel and workers) and 29,000 family members.

- three armored divisions (the 1st, 3rd and 5th DB's [Armored Divisions], at, respectively, Treves, Fribourg and Landau;
- a number of Army-Corps Organic Elements (EOCA);
- a logistics brigade.

These forces marshal a total of 1,700 armored vehicles, 16,000 other vehicles and 80 helicopters. Each DB, with a strength of about 7,000, represents 480 armored vehicles, including 145 tanks. From the preceding figures one perceives the size of the EOCA's and the logistics brigade, which alone represent half of the army corps' strength.

The EOCA's comprise:

- one infantry regiment, equipped with VAB's [Forward-Area Armored Vehicles];
- two reconnaissance regiments;
- eight artillery regiments, including:
 - two Pluton nuclear-artillery regiments stationed in France;²
 - two ground-to-ground artillery regiments;
 - three ground-to-air artillery regiments;
 - one target-acquisition regiment;
- two engineer regiments, including one spanning regiment;
- two road-traffic regiments;
- three signal regiments, certain of which include electronic-warfare units;
- one combat-helicopter regiment (RHC); a second RHC is furnished, in the event of combat, by the ALAT [Army Light Aviation] school in Luc in Provence.

The EOCA's as a whole represent 18,000 men and 6,000 vehicles.

The logistics brigade comprises:

- one general staff;
- three transport regiments;
- a number of medical, supply, materiel and fuel-service units.

These units--especially the service units--are not up to wartime strength. Their strength, which stands at 72 percent, should be raised to 100 percent by additions from the reserves. An additional 7,000 could come, within 24 to 36 hours, from the contingents most recently discharged, and 16,000 through mobilization in a few days, which would raise the army corps' strength to more than 56,000.

It should also be noted that certain units of the EOCA's (five regiments, including the two nuclear-artillery regiments) are situated on French territory.

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2. They will later be equipped with Hades-type ground-to-ground ballistic missiles with range of more than 300 km, making it possible to fire, if necessary, beyond the eastern borders of the FRG. Of course, the decision on use of this nuclear artillery intended for support of the 2nd CA [Army Corps] is reserved to the president of the republic.

Equipment and Training

The equipping of the 2nd Army Corps is far from 100-percent complete in accordance with the programming law. At the beginning of 1982, it still lacked a part (about 1/4) of its Milan antitank weaponry, all of its 36 Hot antitank VAB's, its 96 AMX-10-RC's and its 120 AUF-1 155-mm self-propelled cannons. It will not have the RITA [Automatic Integrated Signals Network] automatic signals system until 1984.

Despite these deficiencies, which unfortunately will not be remedied for several years, its operational capabilities should not be underestimated. They are maintained by intense activity. Each combat unit spends some 100 days on maneuvers or firing practice with organic materiel. This time generally breaks down as follows:

--2 to 3 stays in camp	45 days
--regimental and larger-scale exercises	10 days
--firing practice and unit-level exercises	25 days
--periods in commando and nomad-tactics training center	20 days
Total:	100 days

Draftees: Material Conditions and Role

Military service performed in such conditions can hardly be called a "waste of time." On the other hand, it is correct that this service outside France should be compensated for by an extra 10 days of leave per year. It should be noted in this regard that one out of six draftees does his service in the FRG; 39 percent of them come from the 6th Military Region (Metz), 23 percent from the 1st Region (Paris), and 14 percent from the 5th Region (Lyon). Those who come from the 3rd (Rennes) and 4th (Bordeaux) Military Regions--1 to 2 percent--are all volunteers. All are given 12 free trips.

The pay of a draftee in the FFA is Fr 345 per month, to which are added two allowances--one of Fr 55 and the other of Fr 31.86--making a total of Fr 431. An officer cadet's pay totals Fr 1,026.

With 600 cadets, 1,200 noncommissioned officers and 34,200 enlisted men, the draftees represent 13 percent of the cadres and 95 percent of the rank-and-file soldiers of the 2nd Army Corps. They are not restricted to the role of "military servants": most of them are tank and armored-vehicle drivers, gunners or radio operators, crew serving heavy or light weapons and engineering and signals equipment, drivers of vehicles; a good many are specialists indispensable to the functioning of the units. By their qualities, their intensive training and the discipline they demonstrate, all contribute in an essential manner to the operational capacity of the army corps.

An effort is under way to improve the barracks suffering from old age, the maintenance of which is the responsibility of France. The sum of Fr 160 million allotted annually for this purpose was raised to Fr 250 million in 1982.

To Do What?

At the conclusion of this presentation of the FFA, the question that naturally comes to mind is this: what are the French forces on the other side of the Rhine

supposed to do? The most obvious answer to this question is: to take on, if necessary, the obligations of our alliances--that of the Atlantic Alliance and that of the Brussels Pact, broadened in 1954 by the Paris Agreements, the provisions of which are even more compelling than those of the Treaty of Washington. As it was put by the prime minister himself³: "The policy of France is not neutralist. Even if we wanted it to be so, the country's geographical situation alone would prevent it. Taking our level of development into account also, any isolation is impracticable. We must draw the consequences from this fact, particularly when we examine the defense of our borders and the approaches to them. Aggression against France does not begin when an enemy penetrates the national territory...." "The obligations deriving from the 1948 Treaty of Brussels, as well as our membership of the Atlantic Alliance and the impossibility of being disinterested in our immediate neighbors, further explain our military presence on German soil...." "The French Republic will never take the initiative of conflict--such initiative being up to the aggressor, by definition. This implies that we must take several hypotheses into account...."

As for the question of what these hypotheses are and how the French Forces in Germany would deal with them--that is an area covered by secrecy. What is clear, in any case, is that:

- 1) the 2nd Army Corps would not be capable of filling a gap in the forward part of the allied formation;
- 2) it could only be a reserve for the Alliance if needed, and act in accordance with modalities that can vary in function of the hypotheses considered--that is, the actions of the aggressor and the reactions of the allies;
- 3) these modalities do not rule out the use of nuclear firepower, if the chief of state were so to decide.

P.S.: We shall devote an article in the near future to the French forces in Berlin.

3. Speech by Pierre Mauroy to the IHEDN [Institute for Higher National Defense Studies] on 14 September 1981, published in our issue of October 1981.

NAVY'S ROLE IN RAPID ASSISTANCE FORCE EXAMINED

Paris DEFENSE NATIONALE in French Jun 82 pp 158-159

[Article by Edouard de Cassius: "The Rapid Assistance Forces"]

[Text] This new term (December 1981) encompasses all the elements of the Navy that participate, with the other armed forces, in the protection of our nationals or our interests abroad and in the fulfillment of our international commitments. The rapid-assistance forces are in a way the guarantor of the support, at distance, of the country's foreign policy. The armed forces' participation in this policy has been reaffirmed by Mr Mauroy, Mr Hernu and General Lacaze, as has been reported in the October, November and December 1981 issues of the review DEFENSE NATIONALE.

One may ask what are the Navy elements that go into the makeup of a rapid-assistance force, for the tasks that may be assigned to it are multiple, and the theaters of action--nearby or distant--are numerous.

Among the five missions assigned to the Navy, the one entitled "presence in the world" covers, more than the others, a large part of the assistance tasks as they are defined; but the traditional distribution of the forces to the various missions does not make it possible to fulfill them completely.

That is why it has to be kept in mind that the Navy forms an indissociable whole and that there are no rapid-assistance forces as such, but rather a complex of means that can be drawn on in order to set up a force appropriate for the mission to be accomplished. Thus the force could be an amphibious one, accompanied by protective forces and logistical support, or a large aeronaval force centered on an aircraft carrier, the mere presence of which--powerful and mobile, discreet or assertive--is the sign of a determined will. But it could also be composed solely of light units assigned the mission of providing military, humanitarian or public-service assistance on a modest level.

From the patrol boat to the aircraft carrier, from the submarine to the maritime-patrol plane: all elements of the Navy are involved, and the balance among its various components therefore has a fundamental character in the domain of assistance.

The rapidity of an assistance operation is a notion that it is sometimes difficult to perceive clearly. The fact is that a navy cannot be everywhere in the

world at all times, with all its means. Nor can it avoid the constraint of distance and the relative slowness of its units. On the other hand, as compared with all other means it has the irreplaceable quality of total independence from a stable infrastructure, along with natural mobility, very great diversity of means, and good endurance capacity.

That is why the setting-up of a rapid-assistance force cannot be done improvisationally. The volume, diversity, availability, maintenance and supplying of the ships and aircraft have to be organized in such a way that the Navy can respond to a request for assistance very rapidly. One can thus appreciate the interest of balanced planning of the means, but also of a policy of overseas presence which, through harmonious prepositioning of combat and support units, makes it possible to prevent or moderate a crisis relating to our own interests but also to reassure and assist anyone who turns to France in a difficult moment.

11267

CSO: 3100/796

ALAT ANTITANK DETACHMENT HAS INTERVENTION EXERCISE

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 Jul 82 pp 24-25

[Article by Bernard Bombeau: "Rapid Intervention by Gazelle Helicopters"]

[Text] The 4th Combat Helicopter Squadron, 3d RHC [Combat Helicopter Regiment] commanded by Colonel Proisy, had been conducting long-range navigation training with SA-342M Gazelle-HOT [armed with HOT antitank missiles] helicopters since October 1981. On 4 June 1982, it concluded this training with exercise "Module" conducted in cooperation with the French Air Force and involving the long-range movement of these helicopters for the purpose of delivering an antitank attack on a point target.

The helicopter air crews and mechanics were placed on alert status on the evening of 4 June. They were not briefed on the exact details of their mission until 0500 the following day when they received orders to disassemble four Gazelle-HOT's for loading into C-160 Transall transport aircraft. By 0800 they had completed this preparation phase: blades, fins, and part of the vertical stabilizer had been removed. At 1000, two air force C-160's landed at Etain, Meuse. In 1 hour, the four helicopters and their combat crews, accompanied by eight aircraft mechanics and weapons technicians, were on board the twin-engine transports. Both aircraft were airborne 30 minutes later on the first leg of their flight, an IFR course to Orange. On arriving over Orange, the two Transalls began their letdown and set a course for Perpignan in low-level tactical flight. At noon, they landed at the civil airport in a simulated assault landing. Without any outside assistance, the mission crews, mechanics, and technicians reassembled the four helicopters in less than an hour. After a check flight, the helicopters flew to the Rivesaltes military area, thus ending that phase of the exercise conducted jointly with the air force.

At 0600 the following day, the four Gazelles, fitted with 200-liter ferry tanks inside each rear cabin, took off, accompanied by two Puma helicopters carrying the ground crews, support equipment, and weapons. The two ALAT [French Army Light Aviation] "modules" were now on their own.

On this northward IFR return flight, the air crews donned their "May Wests" when simulating flying over the sea. On this final leg, the helicopters flew nonstop, without refueling, to Chaumont. After arriving at Saint-Moutier, each

SA-342M was fitted with four dummy HOT missiles unloaded from the Puma transport helicopter. The four Gazelles were refueled for theoretically a 200-kilometer flight which in reality ended a few dozen kilometers from there on the Suippes firing range for an attack on targets, the ultimate objective of their mission.

At 1830, the four helicopters, armed and in their combat configuration, approached from the south at an altitude of 20 meters along the gunnery range in the Goulot sector normally used by FATAAC aircraft. Flying a few meters above the treetops, the formation, led by Captain Serra, fired four missiles, one behind the other, on two targets spaced 50 meters apart and traveling on rails at 15 kilometers per hour. All four missiles scored target hits. The Gazelles then cleared the target area one by one and landed in the Suippes DZ [drop zone]. End of mission.

In addition to being a test of the Gazelle crew's training, this exercise, the first of its kind, also tested the intervention capability of an ALAT antitank detachment when assigned the mission of conducting a point attack in a distant area of operations.

ALAT Material, Organization

Personnel strength: 6,000 men, half of whom are draftees.

Aircraft, Radars

- a. Fixed-wing aircraft: 36 (19 Cessna L-19's and 17 MH-1521 Broussards) plus 16 Nord 3400 in reserve and 2 Piper L-18's on loan to the Red Cross.
- b. Helicopters: 596, including 130 SA-330 Pumas, 215 SA 341/342M Gazelles, 65 Alouette 3's, and 186 Alouette 2's.
- c. Spartiate landing and tactical air control radars: 15.

Schools

- a. At Dax: Pilot Training School (ES-ALAT).
- b. At Cannet-des-Maures, Var: Advanced Training School for tactical training (EA-ALAT). In wartime, it becomes the 4th Combat Helicopter Regiment.

Organization, Deployment

Headquarters: Villacoublay, Yvelines.

With French Army's I Corps headquartered at Metz: 1st Combat Helicopter Regiment (RHC) at Phalsbourg, Moselle; 3d RHC at Etain-Rouvres, Meuse; 11th Light Helicopter Group (GHL) at Nancy.

With II Corps headquartered at Baden, FRG: 2d RHC at Friedrichshafen and Freiburg im Breisgau; 12th GHL at Trier-Forhen.

With III Corps headquartered at Camp des Loges, Yvelines: 6th RHC at Compiègne; 13th GHL at Les Mureaux, Yvelines.

General Reserve: 5th RHC at Pau, attached to the 11th Airborne (Paratroop) Division (for external operations).

With 2d Military Region: 2d GHL at Lille-Lesquin.

With 3d Military Region: 3d GHL at Rennes-Saint Jacques.

With 4th Military Region: 4th GHL at Bordeaux-Souge.

With 5th Military Region: 5th GHL at Lyon, Grenoble, and Gap (earmarked for support of 27th Alpine Division).

Overseas: Puma and Alouette 3 detachment in the Republic of Djibouti.

Note: Each RHC has 72 helicopters: 20 light Alouette 2's and SA-341 Gazelles; 30 antitank Alouette 3's and SA-342 Gazelle-Hot's; 22 SA-330 Puma tactical transports, each capable of carrying 15 men or 2.5 tons of materiel.

8041

CSO: 3100/857

AEROSPATIALE CONTRACTS FOR BUILDING HELICOPTERS AT MARIGNANE

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 Jul 82 pp 30-31

[Article by Raymond Auffray: "Subcontracting is a Tradition at Aerospatiale's Marignane Plant"]

[Text] Francois Legrand, managing director of Aerospatiale's Helicopter Division, recently stated that the success of French helicopters was attributable to four factors: the breakthrough in turbine-powered aircraft technology, policy coordination between government and industry, systematic policy of engineering advances in both design and technology, and marketing strategy. While the future is promising, there is still very stiff competition between manufacturers. For its part, the Helicopter Division--1,300 employees at La Courneuve and 6,800 at Marignane--fully intends to continue to rely on a network of subcontractors that has doubled in 2 years.

In 1981, Aerospatiale produced 380 helicopters representing a business volume of 3.375 billion francs, 100 million francs of which resulted from subcontracted work. Some manufacturers view subcontracting as a necessary evil. For others, however, it is assistance they readily seek. In the French nationalized company's Helicopter Division, it is a matter of retaining a humane-scale production unit, of not growing too much (employees, facilities, etc.) despite plans to boost production to 750 helicopters and 5.84 billion current francs by 1985. Its present share of the world market, outside the USSR and the American armed forces, is 22 percent. This share is expected to rise to approximately 27-30 percent in less than 5 years. It is also a known fact that the French social system does not provide the same flexibility as the U.S. system in dealing with fluctuations in the state of the economy and/or the aerospace industry. Indeed everyone knows how rapidly American firms can adjust their manpower to their workload. Boeing did this not so long ago, and Bell's payroll has dropped from 13,000 employees to 8,000 in less than 2 years. Not to mention the major airlines that are currently in difficulty and whose employee rolls are steadily being trimmed without any government action to block these layoffs. France's special social policies undoubtedly do curb fluctuations in employee levels. On the other hand, they may prove to be conducive to the establishment of a network of subcontractors, particularly the so-called "capacity" subcontractors. In Aerospatiale's Helicopter Division, the "capacity" subcontractors far outnumber (95 percent of the total) the so-called "speciality" subcontractors (5 percent). In short, the prime

contractor cannot do everything by himself and so he ensures his industrial security by creating a dual source of production.

The division's workload having increased appreciably, its number of subcontractors rose from 4 in 1965 to 150 in 1980 and has now reached 280, 60 of which are in the Marseilles area alone. This figure is expected to top 300 in a few months. Some 20 of this total are major subcontractors ("cooperating" firms actually) that have been aviation oriented from the very beginning. In France, they include the Aerospatiale group's own plants, and Latecoere, Hurel-Dubois, Siren, Indraero, etc. Those in foreign countries include SABCA and SONACA [in Belgium], WHL [Westland Helicopters Limited], Fiat, CASA [Spain], Fokker, British Aerospace, Ogema, Spar Canada, etc. The other 260 subcontractors are not aerospace firms per se but have acquired a corresponding reputation for reliability.

Quality, Delivery Times, Prices

To be retained, a subcontractor must satisfactorily meet rigid quality, delivery time, and competitive price requirements. To establish its network of subcontractors and manage their output, Aerospatiale has an external production department. Headed by Mr Gendre, this activity has 40 persons handling the aforementioned 20 major subcontractors 50 persons the other subcontractors, and four quality control inspectors. From the very beginning, Aerospatiale's main office has played an active part in the selection of subcontractors. The four quality control inspectors are sufficient to ensure the quality of the corresponding 290,000 hours of work per month.

Pre-production reception and acceptance are themselves subcontracted to a specialized firm, Protec Metaux of Arenc. To ensure quality control up the line, the subcontractors' inspectors attend special training courses given by the prime contractor. Some 20 persons have the difficult task of seeing that delivery dates are met. At times this demands nerve-wracking crash action in an atmosphere of very high stress! As for prices, the objective is not, of course, to bankrupt subcontractors who are at everyone's beck and call, but to obtain so-called "reasonable" prices, as is generally demonstrated at Marignane. Considering the constraints of the market, these prices--dramatically decreasing in the case of the Ecureuil helicopters--imply development of advanced techniques and employment of the best human and material resources by subcontractors who must, therefore, be retained.

For some helicopters, the subcontracting is 20 percent. For the Ecureuil, it is 60 percent. For Super Frelon--no longer in production--spare parts, it is 100 percent.

Calculated on a base of 100 (in value), 80 percent of the machine work is done by small subcontractors who are increasingly equipping themselves with numerical control machine tools. Subcontractors handle nearly 10 percent of the sheet-metal work, 5 percent of the electrical work, and 3 percent--one-third of the prime contractor's work--of products made of composite materials, a percentage that is on the rise. For a long time, production of vital parts was not subcontracted. Today, however, a process permits step-by-step

delegation of responsibility for meeting required strict standards to certain highly qualified subcontractors (for example, Super Puma rotor masts are subcontracted in this way). Subcontracting is thus the origin of high-quality regional industrialization.

The Ecureuil is a new-generation helicopter whose technical operating costs are 28 percent lower than those of previous light helicopters. The goal is to further reduce these costs by 30 percent! A small autonomous production unit was established for this small helicopter. Its best production costs are obtained by extensive subcontracting. Production time (T100) has been reduced 4 to 1 on structural parts. Even much greater reductions have been obtained on certain components (for example, the cabin and tailboom produced by SOCATA). Value analysis has been used from the start and has entailed a substantial cost-reduction effort by most subcontractors. Subcontracting represents 64 percent of the value of the AS-350 Ecureuil (1,000 produced) and 53 percent of the AS-355 Ecureuil 2-Twinstar (250 produced). Such key parts as the main transmissions are completely subcontracted (Zahnradfabrik in the FRG: 15 percent of the subcontracting).

Aerospatiale Helicopters

Distribution of 1982 Production Workload (in value)

<u>Place</u>	<u>Percentage</u>	<u>Remarks</u>
Aerospatiale Helicopter Division plants	51	Marignane 42 percent La Courneuve 9 percent
Aerospatiale Aircraft Division plants & subsidiaries	10.5	Subsidiaries:* SOCATA, SECA, SOGERMA, SOCEA
Subcontracting in France, outside Aerospatiale	26.5	260 subcontractors
Cooperation with foreign firms	12	WHL 5 percent, FIAT 5 percent, others 2 percent

* SOCATA: Private and Business Aircraft Manufacturing Company, SECA: Aircraft Operation and Engineering Company, SOGERMA: Girondin Aircraft Equipment Maintenance and Repair Company, SOCEA: Avionics Manufacturing Company of Charente.

Photo Caption p 30

Aerospatiale has established an autonomous production unit at Marignane for final assembly of the AS-355 Ecureuil. Subcontracting represents 53 percent of that helicopter's value. To reduce production costs of Ecureuil structural

parts 4 to 1, even more substantial reductions had to be achieved with such components as the AS-350 cabin shown here and produced by SOCATA at Tarbes.

Photo Caption p 31

Although a prime contractor's initial tendency is to avoid all subcontracted production of key aircraft parts, such is no longer the case with the AS-350 Ecureuil main transmission manufactured by Zahnradfabrik in the FRG. In aircraft production, precision machining is a large part of all subcontracted work. Today, small specialized manufacturers are installing more and more numerical control machine tools in their plants. Shown is a reduction gear made by a subcontractor.

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CSO: 3100/857

INTERVENTION FUNCTIONS OF PARACHUTE, MARINE, ARTILLERY GROUPS

Paris TAM in French 1 Jul 82 p 15

[Article: 3d Artillery Regiment: From the Argonne to the Champs Elysees"]

[Text] The 3d RA [Artillery Regiment] is stationed at Mailly in the heart of the Champagne region at the intersection of routes linking Flanders to Burgundy and Lorraine to Paris.

It was in this region that Attila was stopped in the Fifth Century, that the Prussians were likewise turned back at Valmy in 1792, as the Germans later were during World War I.

A former conventional artillery regiment constituted in 1791, the 3d RA became a Pluton [surface-to-surface missile] regiment in 1973.

Always Ready

This regiment is one of I Corps' three nuclear missile units. As such it holds an important and privileged position in the French Army. Its employment, subject to the personal decision of the President of the Republic, constitutes for any potential enemy a threat incommensurable with that of conventional artillery.

The regiment has a very high degree of mobility acquired through frequent field exercises. It is equipped with highly reliable and sophisticated communications and an automatic fire control system. Its batteries can operate separately, each having its own command and control center. The 3d RA also has its own reconnaissance teams and antiaircraft defense weapons.

When viewing the regiment at the 14 July parade, these operational characteristics must also be kept in mind. It is because of them that this unit is capable of delivering its maximum firepower at all times.

11th Airborne Division

The 11th Airborne (Paratroop) Division is the airborne component of the Rapid Assistance Forces (FAR). It is trained especially to operate overseas or in Europe on very short notice. Some 45 percent of its personnel are regular army.

The entire division is stationed in southwestern France and Corsica.

Strength: 13,300 men.

Organic Divisional Units

- a. Reconnaissance elements (cavalry regiment), combat support elements (artillery and engineer regiments), and service elements (headquarters and service regiment plus an airborne mobile operational base);
- b. Three infantry regiments composed of draftees: 1st and 9th Paratroop Rifle (Chasseurs) Regiments and the 6th RPIMA [Marine Infantry Paratroop Regiment];
- c. Airborne Group (GAP) with its own headquarters and staff. It has three infantry regiments: 3d and 8th RPIMA and 2d REP [Paratroop Foreign Legion Regiment]. The GAP is an all-volunteer unit composed entirely of regular personnel.

Equipment: 40 AML [light armored cars mounted with guns or missiles], 115 20-mm guns, 36 120-mm mortars, 48 81-mm mortars, and 168 Milan [antitank missile launchers].

9th Marine Infantry Division (DIMA)

This division is the second component of the Rapid Assistance Forces (FAR). It too is partially "professionalized," i.e. 50 percent of its personnel are regulars. Motorized and air-transportable, the 9th DIMA is trained especially to participate in amphibious operations. It is stationed in western France.

Strength: 7,700 men.

Organic Divisional Units

- a. Reconnaissance elements: a cavalry regiment;
- b. Combat support elements: a field artillery and antiaircraft artillery regiment, an engineer company;
- c. Headquarters and service elements: one regiment;
- d. Four infantry regiments, including the 41 RI [Infantry Regiment], the division's only regiment that does not belong to the Marine Troops.

Equipment: 60 AML, 60 20-mm guns, 15 105-mm self-propelled howitzers, 24 120-mm mortars, 32 81-mm mortars, 8 30-mm AA guns, 10 40-mm AA guns, and 96 Milan [missile launchers].

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CSO: 3100/858

BARROIS SQUADRON USES CROTALE TO DEFEND SAINT-DIZIER BASE

Paris TAM in French 1 Jul 82 p 17

[Article: "Crotales on the Champs Elysees"]

[Text] There are currently nine operational Crotale short-range surface-to-air missile squadrons. All are assigned to the close-in defense of our air bases. Their number will soon be increased to 12. The fifth such squadron to be activated is the Barrois squadron now assigned to the air defenses of the Saint-Dizier base. It is scheduled to participate in the [14 July] parade on the Champs Elysees.

The Barrois surface-to-air missile squadron (EMSA) was activated less than 2 years after the first Crotale squadron became operational at the Istres air base in July 1977. After a period of training with the Mobile Instruction and Training Squadron at Mont-de-Marsan, the Barrois squadron became operational at Saint-Dizier, its permanent station. The Mont-de-Marsan unit has since been redesignated as the Specialized Technical Instruction and Training Squadron and is now based at Avord.

Six Crotale Vehicles

Like all other Crotale squadrons, the Barrois squadron has two firing sections each consisting of a target acquisition unit and two fire units, plus a certain number of maintenance and support elements including one missile transport and loading vehicle per section, two small repair and maintenance vans, a direct support electronic maintenance vehicle, etc.

The acquisition unit maintains radar surveillance of the air space, selects the targets to be engaged, and designates the fire units to handle such engagement. The fire unit automatically tracks the designated target, launches and guides one or two missiles onto that target.

Mounted on cross-country vehicles, these units are mobile and air-transportable (notably by C-160 Transall transport aircraft). Each fire unit has a two-man crew.

The Crotale system is designed to counter a low or very low level air threat within a 30-kilometer radius, thus complementing the longer-range Hawk system. Like its counterparts, the Barrois squadron is under the operational command of CAFDA, Air Command, Air Defense Forces.

FOURTH FIGHTER WING AT LUXEUIL

Paris TAM in French 1 Jul 82 p 17

[Article by Lieutenant Colonel Papin: "Luxeuil Air Base"]

[Excerpts] With a personnel strength of more than 2,000, the Luxeuil Saint-Sauveur air base is the largest military unit in the department of Haute Saone. Three air force units are stationed there: 4th Fighter Wing, Arbois Bomber Squadron, and the Radar Prediction and Instruction Center.

The 4th Fighter Wing is under the operational command of the Tactical Air Force (FATAC). It is organized into two Mirage 3E squadrons, the Dauphine and the Lafayette. The latter is the French successor to the American Lafayette Escadrille. The wing's missions include all-weather nuclear strikes, tactical air support of the Forces of Maneuver (conventional strikes), and territorial air defense (interception). The Arbois Bomber Squadron is assigned to the Strategic Air Force (FAS). It is a strategic nuclear bombing squadron.

The Radar Prediction and Instruction Center is primarily responsible for furnishing the radar charts required by FATAC Mirage aircraft for their strike missions. It also instructs pilots in the use of such charts or maps and in becoming more proficient in all-weather navigation.

The base service units and activities are not as well-known as the three aforementioned units although they actually have more personnel. These service elements include operational and technical support activities plus base security and defense units. These service units will be honored on 14 July as they march on the Champs Elysee behind the 4th Fighter Wing colors.

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CSO: 3100/858

EQUIPMENT, MANPOWER OF 8TH INFANTRY DIVISION OUTLINED

Paris TAM in French 1 Jul 82 p 14

[Article: "8th Infantry Regiment: Always Forward"]

[Excerpts] The 8th Infantry Regiment (RI) is stationed at Noyon in the Oise Valley. It has been one of the 8th Infantry Division's two motorized regiments since July 1981.

The regiment has a strength of 1,300 men, including 950 draftees, most of whom are from regions in western France.

The 8th RI has such modern equipment as forward-area armored vehicles (VAB) and Milan [antitank missile] launchers. Its training facilities include firing ranges for all individual weapons. In addition, the regiment's proximity to the camps at Sissonne and Mourmelon enable it to conduct field training there for its combat companies. The regiment's draftees complete their instruction and training in courses given at the different commando training centers.

Infantry Division

The French Army's infantry division is a large versatile combined-arms unit capable of operating separately or in coordination with armored and mechanized units or also in support of the Defense Zones.

Strength: 6,900 men.

Organic Divisional Units: three infantry regiments, an armored regiment, an artillery regiment, a headquarters and service regiment, and an engineer company.

Equipment: 370 VAB, 72 Milan launchers, 58 20-mm guns, 36 AMX 10 RC [wheeled armored reconnaissance vehicle with 105-mm gun], 18 120-mm mortars, 12 VAB HOT [forward-area armored vehicle armed with HOT antitank missiles], and 20 155-mm BF 50 guns.

Armored Division

The French Army's armored division is the first combined-arms unit capable of conducting a combat operation along a single direction of attack and for a definite length of time.

Strength: 7,000 men.

Organic Divisional Units: a reconnaissance squadron, an antitank company, two mechanized regiments, two tank regiments, an artillery regiment, an engineer regiment, and a headquarters and service regiment.

Equipment: 14 AMX 30 [main battle tanks], 132 AMX 10 [light tanks used in a variety of roles], 115 VAB, 24 155-mm AUF1 guns, 38 Milan launchers, 18 20-mm guns, 12 120-mm mortars, and 12 VAB HOT.

8041

CSO: 3100/858

BRIEFS

HOT MISSILE LAUNCHED AT NIGHT--Night launching of Hot from a Dauphin: the HCL (Light Combat Helicopter) system, developed jointly by the Helicopters and Tactical Missiles divisions of Aerospatiale, gives the Hot mounted on the Dauphin the capability of nighttime as well as daytime use, thanks to the thermal-imagery device mounted on the stabilized Venus platform. At the beginning of 1982, eight missiles were fired within the framework of the qualification testing of the preseries materiel, and there were seven hits on target. The firings were done in dark nighttime, with high hygrometry. The helicopter was flying at heights of 10 to 100 meters above ground, in both stationary flight, translation and evasive maneuver. The firing distances were between 2,500 and 3,700 meters, and both shots from the latter distance hit the target. [Text] [Paris AIR ACTUALITES in French May 82 p 19] 11267

LONGEST TRANSALL FLIGHT--Big first for military air transport: a second-generation Transall C-160 made a nonstop flight from France to Guyane on the night of 8-9 May 1982, after being refuelled in flight off the Azores by another Transall. The Transall FRAGX, carrying a heavy load of freight, took off from Lorient at 2000 hours, Paris time, on 8 May. In the night, at 0200 hours, the Transall FRAGY, equipped as a refueller version, rendezvoused with the first plane off Santa Maria in the Azores and delivered to it, in less than 30 minutes, the quantity of kerosene it needed to reach Cayenne. The landing at Cayenne, at the Rochambeau airport, was at 1200 hours Paris time, after 16 hours of flight and a distance of 7,000 kilometers covered. [Text] [Paris AIR ACTUALITES in French May 82 p 23] 11267

TRANSALL ARRIVES IN EVREUX--C-160 NG [New Generation]: for the arrival of the first second-series Transall C-160's in the 64th Transport Squadron, a ceremonial parade was held on the base on 1 April. The ceremony was followed by presentation of the new-series Transall. General Cornavin stressed the plane's performance characteristics and flexibility of use. With its in-flight refueling system, it can, in effect, make nonstop flights with considerable loads over distances of more than 7,000 km, thus notably increase the air-mobility of the French armed forces. The general concluded by thanking all those, civilian and military, who helped carry out the second-series Transall operation successfully. [Text] [Paris AIR ACTUALITES in French May 82 p 10] 11267

PEACE RESEARCHER URGES IMPLEMENTATION OF PROFESSIONAL ARMY

Oslo DAGBLADET in Norwegian 9 Jul 82 p 8

[Article by Arne Halvorsen: "Remarkable Statement by Peace Researcher--We Must Have Professional Soldiers"]

[Text] "We should reorganize our standing forces and base them on professional soldiers. This will minimize the loss of life, and at the same time make us militarily more effective."

This was said to DAGBLADET by peace researcher Ingvar Botnen at the Institute for Peace Research in Oslo. This fall he will publish a reference book on national security policy in which he discusses, among other things, Norway's military strategic importance.

Botnen is concerned with how the results of warfare can be reduced in this country, if we retain our NATO membership and maintain our military expenditures at the same level as today.

"Why do you advocate reorganization of Norway's mobilization forces?"

"We must view this in connection with our strategic situation. In a military confrontation we will be drawn in, both because we are in NATO and because the Soviets have two-thirds of their fleet based at Kola," said Botnen.

Technically Dependent

"Furthermore, the danger with our existing defense is that we are basing it on large and expensive military units like the F-16 fighter, airfields, NADGE warning stations and other types of military infrastructure. This makes us militarily very vulnerable to Soviet missiles," said Botnen.

"It is also very possible that we are making ourselves dependent on a type of technology, as for example the F-16. Weapon technology changes very quickly, and the F-16 could be obsolete in a few years. The best would therefore be to go over to smaller units, and a more decentralized defense," said Botnen.

Professional Soldiers

"Today we can mobilize about 80,000 men in 2-7 days in north Norway, which makes mobilization an effective and important weapon, if it is used.

"The Soviets will also be interested in avoiding a meeting with this force. They can easily do this by destroying lines of communication such as railroads, bridges, roads, etc. with long distance missiles," said Botnen.

"It is also possible to destroy mobilization forces directly, by destroying large cities and densely populated areas where the soldiers live. That will mean enormous destruction and loss of many Norwegian lives."

Better Soldiers

"One means of solving the conflict would therefore be to bring in professional soldiers the same way as in England," said Botnen.

"Why would professional soldiers make Norway less attractive to an enemy?"

"They are better soldiers and would fight better against an enemy. Furthermore they could more easily be placed in areas where the results of warfare would not be so severe on the civil population and thereby reduce the danger of terror bombing against densely populated areas," said Botnen.

"How do you think the reorganization would take place?"

"Instead of mobilizing 80,000 men we could have a standing force of 30,000 professional soldiers. But that would naturally require that the soldiers get decent compensation," said Botnen.

9287

CSO: 3108/137

ARMY GETTING NEW FIELD RADIO DIFFICULT FOR ENEMY TO MONITOR

Stockholm SVENSKA DAGBLADET in Swedish 2 Jul 82 p 6

[Article by Omar Magnergard]

[Text] A portable radio with "thinking" microcircuits that encodes what is said--if you so desire--and that is practically impossible for an enemy to monitor or locate.

Within 2 to 3 years the Swedish army will have such a radio. It is rumored that 6,000 radios will be purchased at a cost of about 300 million kronor.

"This field radio is as advanced as anyone could imagine," said division director Lennart Eriksson of the Defense Materiel Administration.

As far as we know, no other country possesses a similar radio today, but development projects are underway in the United States and in Australia that may produce communications systems somewhat like the Swedish radio.

The electronics company SRA Communications in Kista in northern Stockholm recently received its first order valued at 10 million kronor. For this sum SRA and the English firm Marconi will produce prototype equipment. Then series production will begin.

"We have worked on a new radio for about 10 years," Lennart Eriksson confirmed. "During the final phase several of the world's leading electronics firms competed for our order which is worth several hundred million."

Division head Ulf Mimer of SRA said that the new radio changes frequency several times each second. Within each radio network the radios are synchronized in such a way that each follows the frequency changes of the others.

"It is impossible for the enemy to monitor or locate the transmitter," Ulf Mimer said.

The new radio is presently referred to as "Radio 8,000." The name stands for the "Radio of the eighties that will last until the year 2,000."

The radio that will be worn by the soldier will weigh 7 kg complete. Today he must carry a radio that weighs 12 kg (American Ra 145 and 146).

"Radio 8,000" will be used primarily by our most highly trained units. The Ra 145 and 146 presently used will replace the radios designed in the fifties now used by local defense units.

"Each new radio will cost about 50,000 kronor," Ulf Mimer.

9336

CSO: 3109/205

BRIEFS

ELECTRONIC RECONNAISSANCE TO NAVY--"The ship will be a mobile complement to present radar, radio, and interception equipment." That is all defense authorities will say about the reconnaissance ship--the first of its kind--which Karlskronavarvet has begun to build. No drawings will be released. No information will be given out on what types of armaments the ship will have or how large the crew will be. Karlskronavarvet's executive vice-president Hans Frisk objects to the term "spy ship." "Those are for the big powers," Hans Frisk told SVENSKA DAGBLADET. "This will not be much of a spy or war ship, but it will be provided with advanced electronic surveillance equipment so that we will know what is happening in our waters. Commander in Chief Lennart Ljung has stressed on several occasions that the Swedish military needs greater resources for antisubmarine operations and intelligence gathering. A defensive reconnaissance ship happened to be one of his wishes. Karlskronavarvet is constructing the hull and the machinery. Specialists then will "dress" the ship with surveillance equipment. Construction began on the ship last September. The contracts were signed in late April. Construction will be completed in the spring of 1984. The ship will be 60 m long, have a displacement of 1,400 tons, and cost 80 million kronor. In addition to the reconnaissance ship, the Swedish navy also has the following projects underway at Karlskronavarvet: two surface attack vessels, two mine sweepers, the forebody and afterbody of four submarines, the conversion of four motor torpedo boats to patrol boats, and several radio-controlled, self-propelled minesweepers, so-called catamaran minesweepers. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 3 Jul 82 p 7] 9336

CSO: 3109/205

BIOGRAPHIC DATA ON NEWLY APPOINTED MINISTERS

Nicosia KHARAVGI in Greek 21 Apr 82 p 7

/Text/ Information on new ministers.

Simos G. Vasileiou, minister of finance:

He was born in 1919 in Akanthos. After graduating from the Nicosia Agricultural School he studied at the University of London and at Harvard University. He has a degree in agriculture (from the Nicosia Agricultural School), in economy (from the University of London) and in statistics (from the London Statistical Institute). He has served in agricultural, customs, labor and statistics and research divisions. From 1957 to 1962, he served as deputy director of the statistics and research division. Subsequently and until 1981 he worked in the UN Secretariat in various positions including the position of director of the advisory services branch in the field of economic programming.

Mr Vasileiou also was president of the Economic Advisory Committee of Cyprus as well as inspector of population, housing and agricultural census.

He is married and has one child. His wife is Mrs Avra Basileiou, nee Papadopoulou.

Panos Ioannou, minister of education:

He was born on 3 May 1927 in Famagusta. He graduated from the Famagusta High School and later for a short period of time studied at the American Academy of Larnaka. He then went to Great Britain where he studied the classics and English philology. He returned to Cyprus in 1948 after having received his bachelor of arts with first class honours.

He worked in the English School until 1960 and at the same time served on various committees of the then Education Office. From 1960, he worked as a teacher in various British educational establishments, and from 1965 to 1973 in the BBC foreign services. In 1973, he returned to the English School where he remained until September 1981 when he was appointed government representative. He is married and has three children. His wife is Mrs Khloi Ioannou, nee Patsalidi.

Pavlos Papageorgiou, minister of labor and social insurance :

He was born in 1941 in Argaki, Morfou. He studied at the Morfou High School and at the University of Athens Law School where he received his law degree.

He took part in the liberation struggle and served as a volunteer in the National Guard in 1964.

From 1967, he worked as a lawyer, first in the town of Morfou and later in Nicosia.

He was one of the first to serve in the Pan-Cyprian Refugee Committee and he served as its secretary general and later as president.

He is married and has two daughters. His wife is Mrs Maro Papageorgiou, nee Pilassa.

Georgios Andreou, minister of commerce and industry :

He was born in August 1936 in Nicosia. He studied at the English School of Nicosia and later in England in accounting. He is a member of the Association of Certified Public Accountants of Great Britain and the Institute of Certified Public Directors and Secretaries of Great Britain, as well as the Institute of Accountants and Auditors of Cyprus. He has had post-graduate work in Great Britain and other countries in financial, trade and economic subjects.

He entered public service in 1963 and served in various positions in the Auditing Service. In 1972, he was appointed deputy general auditor, and in 1975, general auditor of the republic.

He has published a number of studies and articles on financial, trade and economic matters in the local press and international periodicals. He has represented Cyprus at various congresses and seminars on financial and auditing matters.

He is married and has two children, one daughter and one son. His wife is Mrs Viktoria Andreou, nee Kyriakou Dikomiti from Nicosia.

Khristos D. Mavrellis, minister of communications and works:

He was born in 1946 in Arsos, Limassol. After graduating from the Laniteion High School of Limassol he studied at the University of Athens School of Law from where he graduated in June 1969. After his military duties he went to the University of London University College for post-graduate studies and received a degree in maritime law from there.

He has been a lawyer in Limassol since 1972

While a student in Athens, he was a member of the EPEK /National Union of Cypriot Students/ Council of Athens and secretary general of the OEPEK /Federation of National Unions of Cypriot Students/, positions from which he was dismissed in June 1967 on orders of the junta in Athens.

He is a member of the Home Financing Organization administrative council.

He is married and has two children, one boy and one girl. His wife is Mrs Sitsa Mavrelli, nee Georgiadi.

Khristos K. Pelekanos, minister of health:

He was born in 1935 in Paralimni. He graduated from the Greek High School of Famagusta. He studied medicine at the University of Athens and graduated in 1960.

He specialized in pathology and cardiology at the Evangelismos Hospital in Athens. He was secretary general of the National Cypriot Student Union. In 1964, he served as a volunteer doctor in the national guard. He has been practicing medicine in Famagusta since 1965. Following the tragic events of 1974, he settled in Larnaca. He was for more than 10 years president of the historical association "Anorthosis," and delegate and member of the executive committee of PEP /Pan-Cyprian Refugee Committee/.

In 1976, he was elected deputy from Famagusta district and became chairman of House of Representatives Health Committee and member of the Refugee and Education Delegation.

He is married and has two children, Kosta and Eva. His wife is Mrs Khloi Pelekanou, a dentist, nee Loizidis.

Dimitrios Khristodoulou, minister of agriculture and natural resources:

He was born in 1919 in Pano Devtera and comes from a farming family. He studied at the Pan-Cypriot High School from where he graduated in 1937. He subsequently studied at the Morfou Teachers College and was a public school teacher from 1940 to 1945.

He studied geography and economics in England and received his bachelor of arts (with honours) from the University of London. He taught at the Morfou Teachers College from 1949 to 1953. At the same time, he undertook an in-depth study of the resources of Cyprus and an analysis of our agricultural economy with on-the-spot study of every section of the island.

He used the material in his dissertation presented at the London School of Economics (1953-1955) titled "Axiopoiisis tis Agrotikis Gis tis Kyprou" /Reclamation of Agricultural Lands of Cyprus/. He received a doctor of philosophy degree from the University of London. At the same time, he continued post-graduate studies in the agricultural economy and the economies of underdeveloped countries.

He was appointed reforestation official first class in 1956 and programmed the implementation of the reforestation program. In 1958, he was appointed at the same time official (programming) responsible for the development of our agriculture and in 1959 he became responsible for the preparation of the 1960 agricultural census.

In 1959, under an FAO scholarship, he studied reforestation and agricultural restructuring in eight countries. In October 1959, he represented Cyprus at the historic moment of its election for the first time as member of the United Nations, specifically the FAO.

At the end of 1960, the FAO officially requested the Cypriot ministerial council to permit his being assigned to the FAO headquarters in Rome. Thus, he became the first Cypriot to be on permanent assignment to the United Nations.

He remained in the service of the FAO for 20 years as a specialist in landownership and in agricultural reforms and development. He became a recognized authority in these subjects if one were to judge from the scientific appreciations that have been made on his work. He has travelled as a specialist to dozens of countries and presided over congresses and seminars as chairman. He was also temporarily detached to the World Bank.

He left the FAO in 1981 and was invited as top lecturer at the University of Cambridge, Land-Economy Section, where he remained for a 3-month period completing the drafting of his new book on the political economy of agricultural reforms.

He returned to Cyprus in October 1981 to live and to continue his scientific work. He never cut off his contacts with problems of his country. He wrote chapters on Cyprus in the Encyclopedia Britannica and the International Atlas of Agriculture, as well as university works. He was officially invited many times as a reforestation expert (the late Ethnarch Makarios had personally consulted him on this topic), as well as an expert on development of water resources. He arrived in Cyprus as a member of a two-man FAO team in 1975 to program the role of international organizations in the reactivation of the agricultural economy following the /Turkish/ invasion. He played an active role in the adoption of an aid program of the World Food Program in Cyprus following the invasion.

He is married to Mrs Sylvia Khristodoulou, nee Webb.

Foivos Kliridis, minister of justice:

He is 57 years of age, the third son of the well-known public school teacher author and folk writer Nearkhos Kliridis, from Agro. He was born in May 1925. He graduated from the Pan-Cypriot High School in 1943 and served with the British Army in Egypt, Greece and Italy until 1947. He took part in the allied landing and liberation of Greece of October 1944.

In 1947, he went to London to study law and graduated as barrister-at-law in 1950, at which time he returned to Cyprus. He subsequently served successfully in the courts for 32 years. During the liberation struggle, he defended a large number of fighters, including those condemned to death.

He offered his services as vice president of the legal committee of the KOP [expansion unknown] and as a member of the Supreme Legal Council.

He took part in many manifestations and demonstrations of various cultural associations. He has published various articles and poems in periodicals and newspapers. He was one of the founders of the Child Protection League. He has taken part in international conferences in Cyprus and abroad.

In 1951, he married Koula Kattami, daughter of the mayor of Kythraia. They have three children, Dr Khristo Kliridis and Maro Kliridou-Tsiappa who work as partners in the law firm of Foivos Kliridis and Company in Nicosia, and Anthi Kliridou, a student at the Athens School of Dentistry.

Ilias Iliadis, deputy minister of interior;

He was born on 24 October 1947 in Paphos. He graduated from the First High School of Paphos in 1965. He studied law at the University of Athens from where he graduated in 1971. He has been practicing law in Paphos since 1973. He has been president of the Greek Cooperative Savings Bank of Paphos since 1973 and a member of the board of various associations in Paphos. He is also a member of the administrative board of the Land Development Organization.

He is married and has one daughter. His wife is Mrs Eirini Iliadi, nee Khalkiadiki.

5671

CSO: 4621/456

NUMBER OF DANES IN GREENLAND POPULATION AGAIN ON RISE

Copenhagen BERLINGSKE TIDENDE in Danish 20 Jul 82 p 2

[Text] While the number of Danes sent out to Greenland fell sharply in the years just before the introduction of home rule in 1979, it has since risen rapidly again. This is clear from a survey of the Greenland population as of 1 January 1982 which was prepared by the Greenland Affairs Ministry in cooperation with the Danish Bureau of Statistics.

At the beginning of the year, there were 9,279 people born outside of Greenland--most of them Danish--out of a total population of 51,435, or roughly 18 percent. This was an increase of 792 people compared to the previous year, corresponding to 1 percent, a continuation of the growth trend that has existed since there was a decline of almost 1,000 people in the years 1975-78.

From 1981 to 1982, the Greenland population rose by 1.6 percent, the most significant increase in a single year since 1970.

The large decline in the number of people born outside of Greenland prior to 1979 was largely attributed to uncertainty about conditions after the introduction of home rule and this led to a noticeable generation shift, especially in the ranks of Danish public officials in Greenland.

It is also characteristic that a good 76 percent of the population group born outside of Greenland is in the working age range, from 20 to 64 years of age.

Those sent out from Denmark are also part of the reason for a substantial surplus of men, since there are more than twice as many men--just under 6,500--as there are women--just under 2,800--in this group, while there is only a very small surplus of men among the native Greenland population.

6578

CSO: 3106/146

POLICE TRAINING, EQUIPMENT SUPPLIED TO 38 COUNTRIES

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 9 Jul 82 p 3

[Article by Karl-Heinz Krumm: "Export of Internal Security as a Part of Foreign Policy--Equipment Aid for Police in Many Countries--GSG 9 Trains Antiterrorism Specialists Throughout the World"]

[Text] What is being supplied is radio sets and police cars, laboratories and police school installations. Internal security made in Germany is an export article in demand in many countries of the world. The worldwide reputation of the Federal Criminal Police Bureau [BKA] as "the most modern service center" of the police and, not least, the adventurous liberation of the hostages of Mogadishu in 1977 by the GSG 9 special unit have been favoring demands and wishes from an ever-increasing number of countries, often confronting the politicians in Bonn with difficult decisions. "Drawing the boundaries of such decisions," says Minister of the Interior Gerhart Baum, "is about as difficult as it is in the case of an export of arms."

Baum, however, is responsible only for cooperation with the police of other countries. In the case of equipment aid, for which about DM 10 million are provided in the budget annually, he acts only as executive assistant of the Foreign Office, which makes the decisions about fulfilling the foreign wishes in accordance with foreign policy criteria.

This, however, is done with the greatest discretion and without any public revelations. "Cooperation in the police sector," Bundestag Minister of State Corterier laconically told nonparty Deputy Heinz Coppel in March, "is guided by the thesis of promoting with modern methods the training of structures in countries governed by the rule of law, and in particular the principle of the balance of means and the fighting of crime."

The Genscher representative did not want to tell the house any more because "details with the receiving countries are treated confidentially." This reticence is well founded, for the receiving countries, so far about 30, are not only sensitive democratic states. The Bonn suppliers are therefore well aware of the risk that radio sets, surveillance vehicles or other police equipment may be used not only against narcotic dealers or other criminals but, if need be, also against political opponents.

At the back of the minds of the people in Bonn, however, is the idea that the granting of equipment and training aid provides political proximity to the leadership of the--mostly small--countries in Africa or Arabia and thus holds out prospects of political influence. Moreover the people in Bonn console themselves with the realization that "only well-equipped police can react in a balanced manner" and point out that above all the training of foreign policemen leads to intensive personal contacts which quite often have proved their worth as a shortcut, and therefore a successful way, in the international fight against major crime.

Provided that the Foreign Office gives its blessing, execution of equipment aid is in the hands of the Ministry of the Interior, whose specialists often first make checks on the spot on whether the requested equipment is actually useful. In this respect the requests of young developing countries can be unrealistic. In one case, for example, a country requested a police headquarters despite the fact that there was no kind of infrastructure for it.

In another country the just delivered motorcycles were standing unused in a shed. The German scouts established that the only thing that was wrong was that the batteries were not charged. To remedy this lack of expertise and service, at present a BGS [Federal Border Police] officer, for example, is training a domestic motorcycle squad in Benin for a couple of weeks.

Bonn's equipment aid for young countries as a rule is planned for a period of several years. Thus Algeria has been building an RDF grid and a VHF urban network in Algiers with German aid since 1969. North Yemen primarily wanted radio sets, and Jordan asked for a telephone shop and two automobile inspection installations. Benin and Lesotho will receive police vehicles, and Kenya has professed interest in a special unit being equipped with surveillance vehicles.

Whether it is Somalia, Tunisia or any of the other countries, most requests clearly aim at eliminating the lack in communications and mobility, and so vehicles and telephone installations for years have been at the center of German aid. The fact that in the process even careful political calculations can be stopped by current political developments is shown by the example of Afghanistan, which until the Soviet invasion for years had been at the top of the countries being assisted--receiving, in addition to intensive political training, laboratories, vehicles, school installations and other equipment.

Completely different motives from those prevailing in the case of young developing countries caused the Federal Government to approve first DM 4 million and later DM 2 million for a BKA budget to curtail already abroad the legal import of narcotics from countries of cultivation or transit. The BKA is especially interested in Bulgaria which in the late seventies showed itself particularly cooperative in quickly ordering the deportation of four seized German terrorists and on the Balkan route of the narcotic dealers has very frequently stopped the transit of hashish or heroin.

Concrete German interests are also involved in the BKA now training Bulgarian police to become narcotic agents and seeing to the delivery of Bulgarian police

of laboratories, quick-test equipment and surveillance vehicles. The fact that here too one is moving on shaky ground--not only politically speaking--all those involved are aware of, for Yugoslavia too, not exactly on the most intimate terms with the Bulgarians, also wants to have German support in the fight against drugs. Belgrade's wish to install a truck control installation for DM 1.5 million has not been fulfilled so far, however, since the experts, on the basis of experience, have doubts in the effectiveness of such an installation.

Particularly sensitive too is the planned equipment aid for Turkey, although that country has been receiving retired police equipment since as far back as 1969 to the tune of about DM 16 million. The Turks would like to get bulletproof vests, bomb protection covers and vehicles, but for good reasons the talks about the existing agreement between the two countries have been dragging on.

As a rule there are no such politically motivated misgivings as more and more countries request the BKA to undertake the training of police. Minister of Interior Baum calls the annual instruction of about two dozen foreign policemen in fingerprinting, modern lab techniques or other special fields an important contribution to trusty cooperation in the combatting of major crimes.

The funds for these intensive courses of instruction come from the Ministry of Economic Cooperation, but some countries, such as the wealth oil states, send their police to the Federal Republic at their own expense. As an example that this cooperation too is worthwhile, Baum cites Libya, which has supplied many a useful hint in the fight against terrorism. Not least, this too is the result of the sometimes criticized fact that over the years about 20 Libyan police have received supplementary training at the BKA.

A very fast runner in the export business in internal security, however, since the liberation of the hostages in Mogadishu in October 1977 has been the BGS special unit GSG 9. The group of Ulrich Wegener had trained foreign counterparts even before that--for instance, a Swiss who is now chief of the cantonal police in Aargau--but not before their dramatic action in Somalia did the Hangelar specialists arouse worldwide attention. Half a year after Mogadishu, says Ulrich Wegener, requests had been received from about 60 countries for GSG 9 specialists to train personnel of theirs as specialists in fighting terrorism.

In the meantime Ulrich Wegener has long since become the most widely traveled policeman of the Federal Republic. Since 1977 he and his men have trained about 1,000 specialists in approximately 30 countries--in the United States as well as Singapore (where the Chinese earned Wegener's full respect as being "tough and intelligent"), in Austria and Somalia.

After the occupation of the Mosque of Mecca, however, the GSG 9 in the past few years, above all has found Saudi Arabia to be a client far exceeding any previous experience. Not only did the Saudis spend a lot of money for special units to be trained by the Wegener group, which first had 12 of its experts

learn Arabic, but in addition, primarily through German firms, they procured a modern training and housing center whose lavishness is unequalled anywhere in the world.

The training of foreign antiterrorism experts in Hangelar or far away from home has often confronted Wegener and his people with new and unusual problems. A hot and unaccustomed climate, inadequate food for the trainees who also often lack basic training in sports, and little understanding for modern technology--the changing conditions in foreign countries invariably demand great skill and adaptability.

In the view of Ulrich Wegener, all these efforts are an important contribution to fighting international terrorism. He himself--an important asset in times of danger and threat--has made comprehensive friendly contacts throughout the world.

Is the export of internal security, then, more than just aid for neighbors and friends in the world? No doubt about it: the training and equipping of police in many countries is primarily a part of foreign policy, for which however there are no sure criteria and which therefore must remain controversial in the individual instance. On one point, though, critics are reassured time and again: "the supply of arms and munitions is ruled out as a matter of principle."

For good reasons, to the extent that it actually is followed in every instance, there should be no change in this principle in the future either.

8790

CSO: 3103/590

CHEVENEMENT CONSIDERS SPACE PROGRAM IN 1985 BUDGET

Paris LES ECHOS in French 15 Jul 82 p 6

[Text] During a meeting on Tuesday evening with the two French astronauts, Jean-Pierre Chevenement said that France has 18 months in which to consider the main outlines of its space program for the years from 1990 through 2000, since allowance for the program will have to be made in the 1985 budget.

The minister of state for scientific research and technology explained that the Franco-Soviet space flight from 24 June to 2 July had given France "mastery of the scientific data that will enable us to control our choices for the next period in our space policy.

"I hope that we will be able to participate in other experiments that might involve flights of long duration. Mastery of space is becoming a basic condition for national independence (economic, cultural, and military).

"Thanks to the Ariane program, we can hope to retain our position as the third-largest space power." It is expensive, however (3 billion francs this year). "European cooperation is therefore imperative" within the framework of the existing agency, but France is open to all proposals, whether from the USSR, the United States, or Japan.

Chevenement was careful to emphasize, however, that for the short term, the French space program adopted in 1981 (various versions of the Ariane rocket, SPOT [Earth Observation Probe System] remote sensing satellites, the TDF-1 [French Television] geostationary satellite, and the Sargos worldwide rescue satellite) must be carried out within the established budgetary limits. At the same time, serious consideration of the long-term future is necessary over the next year and a half so that decisions can be reached and provision made in the 1985 budget.

In the opinion of Roger Lesgards, official representative for aeronautical and space affairs, "the French must not develop technology for technology's sake"--on the contrary, they must use to the best advantage the sizable capability acquired through the Ariane system. "It is in that spirit that the Soviets work, and their rocket, which is 20 years old, is still operating. Some of our techniques are more advanced than theirs."

11798

CSO: 3100/853

ESA SPACELAB ON STRICT SCHEDULE TO MEET SHUTTLE LAUNCH

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-30 Jun. 82 pp 30-31

[Article by Jacques Tiziou: "'Spacelab': While September 1983 Is Awaited"]

[Excerpts] September 1983: that is the date decided on for the ninth flight of the shuttle--a flight during which the shuttle will have the European laboratory Spacelab on board. And on the other side of the Atlantic, everyone is busy striving to keep to the schedule, in a long preparation for this flight. Jacques Tiziou has had the opportunity to monitor it on the spot.

The joint ESA [European Space Agency]-NASA payload designed for the first flight of Spacelab comprises 36 different scientific instruments, two-thirds of which are of European origin. The experiments will have the purpose both of checking the functioning of all the systems of the orbital laboratory and of demonstrating the scientific and technological possibilities of what will truly be "the first European space ship."

This ship is treated at the Kennedy Space Center as the Apollos were and as the shuttle is--with kid gloves! And with clean gloves! And the checks that will be carried out in the coming 15 months are far more complex than those that an automatic satellite has to undergo.

The first essential test, Harvey Lanier tells us, is the SLSST, meaning Spacelab Sub-Systems Test (procedure number OMI-L-1400). It involves, he says, checking the proper functioning of all the subassemblies, such as the CDMS [Command and Data Management System] integrated by the MATRA [Mechanics, Aviation and Traction Co] company, and using a computer from the CIMS (formerly CII) [expansions unknown], Thomson-CSF [General Radio Co] cathode-ray tubes, and coded programs, also from the Versailles company.

There are few persons at the KSC (Kennedy Space Center), the JSC (Johnson Space Center) and the MSFC (Marshall Space Flight Center) who know that the first flight of a Frenchman in space is also imminent, and there are few who do not express surprise at France's being associated with a program that is practically limited to sending into space passengers whose nationalities are those of countries that are satellites of the USSR. But the launching of Salyut 7 has enabled the press to cite this imminent flight of a "space traveler" and to ex-

plain that it relates to a decision that was taken a long time ago and that it would be difficult to go back on at the last minute (Afghanistan or not).

Building Up Confidence

In any case, this does not change the chronology of the Spacelab tests to be carried out between now STS [Space Transportation System]-9, between now and September 1983 [as published]. After the subsystem tests, after the arrival in July of the scientific equipment integrated in Europe by SPICE [Space Power Internal Combustion Engine], and after all this equipment is in the hands of MDTSCO [expansion unknown], the following phase will be the integration test, beginning next January or February. This is an operation which, because it is a "first," will take 3 months. The fact that the American and European experiments are well-differentiated and in different bays will facilitate matters; but the fact that there are three dozen different experiments, and especially, that none has yet been qualified for a piloted flight implies tests more detailed and more numerous than for the coming flights of the European laboratory. It is above all a matter of building up confidence, says Lanier.

Let us imagine--or hope--that these tests go well and that we are already at the end of April or the beginning of May 1983. The time has already come for preparing for transport of the Spacelab from the O and C (Operations and Checkout Building) to the OPF (Orbiter Processing Facility) for its installation in the hold of Columbia. But there still remains a quantity of "small" tests, such as checkout of the tunnel that will link Spacelab with the cabin of the shuttle, and the tests that will make it possible to ensure that there is no gas hanging around the equipment.

At the very beginning of 1983, the laboratory will be convoyed to the OPF to be installed in the shuttle's hold. There, 25 days of tests will be necessary, in liaison with the Johnson Space Center of Houston, before the doors of the hold can be closed and Columbia can be transported to the VAB [Forward Armored Vehicle], placed in vertical position and attached to its two SRB [Solid Rocket Booster] accelerators as well as to its external tank ET [expansion unknown].

The stay in the VAB will last about 2 weeks at most, practically without any testing of Spacelab, and during the 3 weeks anticipated on the 39A launch area after roll-out, the tests relative to the payload will be extremely limited. No Spacelab system is to be activated for the launch, and it will therefore be necessary to await placement in orbit to know whether all the work done at the Kennedy Space Center for more than a year and a half is effectively bearing fruit.

Good Cooperation

We recall that the CDMS (Command and Data Management System) comprises three computers that measure barely 45 cm wide and deep for half the thickness [as published]. The first is to monitor and record the data of all of Spacelab's subassemblies; the second is to do the same work for all the on-board experiments; and the third can substitute for either of the first two. Their non-volatile memories are 64K only, and one of the problems, according to Harvey

Lanier, has been to "get everything inside them." A memory supplement is envisioned for the future missions of the European laboratory.

Both at the Kennedy Space Center and at the Marshall Space Flight Center, the officials responsible for Spacelab call the cooperation with the Europeans good. "It is inevitable," according to Mr Sprinkle, "for there to be at least two points of view on the way to do the same work." "The ESA has sometimes granted," says Lanier, "that our solution was the best, but that neither the necessary time nor budget was available for changing things."

Everyone grants that there have been no insoluble technological problems so far, and that if everyone really sticks to it, it should be possible to meet the September 1983 deadline.

11267

CSO: 3100/791

BRIEFS

FIRST COMMERCIAL ARIANE LAUNCH--The first commercial launching of the Ariane European rocket will take place in Kourou, French Guiana on 10 September at 1115 hours French time (9 September at 2315 hours local time). Two satellites will be put into orbit simultaneously using the Sylva double launching system, developed by AEROSPATIALE [National Industrial Aerospace Company] and now to be used for the first time. The satellites have arrived in Kourou. They are the Marecs B (it is the second European maritime telecommunications satellite--the first, Marecs A, was launched by Ariane on 22 December--and will join the worldwide INMARSAT (International Maritime Satellite Organization) system) and Sirio 2, the second model of the Italian telecommunications satellite, which has been refitted by the ESA [European Space Agency] to carry two new European experiments. Sirio 2 will serve for the dissemination of weather data and the synchronization of atomic clocks worldwide by means of a laser. [Text] [Paris LES ECHOS in French 19 Jul 82 p 5] 11798

CSO: 3100/853

BIOGRAPHIC DATA ON NEW DEPUTY FOREIGN MINISTER

Athens TA NEA in Greek 23 Apr 82 p 1

/Excerpts/ Mr Giannis P. Kapsis, director of TA NEA until yesterday, is being sworn in as deputy minister of foreign affairs this morning at 10 am by President Karamanlis in the presence of Prime Minister A. Papandreou.

Beginning this morning, Mr L.V. Karapanagiotis will assume the position of director of TA NEA. Mr Karapanagiotis has been for years and until today the director of TO VIMA.

The announcement on the appointment of Mr Giannis Kapsis as deputy minister of foreign affairs was made last evening by Mr Maroudas, deputy minister of press, who stressed that it was a special honor for journalism to have Mr Kapsis become a minister.

Who Is Mr G. Kapsis

The General Press Secretariat issued the following biographic information on Mr Giannis P. Kapsis last evening:

"He was born in 1929 in Athens. He studied law and graduated from the University of Athens Law School. From 1947 on, he began working with Greek and foreign newspapers and periodicals. In 1970, as editor-in-chief of the newspaper ETHNOS, he was sentenced by the junta military court to 5 years imprisonment and served 1-1/2 years in prison. He was persecuted by the ESA /Greek Military Police/ over the events at the Polytechnic Institute and he fled to England. After the change in government, he assumed the directorship of TA NEA where he remained until 22 April when he put in a request for retirement.

"From as far back as a young student, he was a member of the Liberal Youth, and later on its secretary general. From the day when Mr Andreas Papandreou showed up on the political scene he joined his movement. All the difficult years that ensued and particularly the 7-year junta period he remained faithful and consistent in his positions and ideas and he fought with all his might for the predomination of the Movement of Change.

"He is a member of the Union of Editors and the Association of Greek Writers, the International Press Institute, the Association of Political Scientists

and the International Union of Journalists. He is the author of "Khamenes Patrides" /Lost Fatherlands/ (1960, three printings), "Adoulotes Thalasses" /Unsubdued Seas/ (1968, two printings), "Gennithito Dimoratia" /Let There be Democracy/ (1972), "Nomiki Logokrisia Ston Typo" /Legal Censorship of the Press/ (1979, reprint of his report to the Salonica Aristoteleion University School of Law), "Kouvendiazondas Sto Kremlino" /Chatting in the Kremlin/ and "Kouvendiazondas Stin Polonia" /Chatting in Poland/ (1982.)"

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